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The Nation's Business

Private Capital Ready on St. Lawrence

Encouragement for Canadian Authors

Canada Begins to See Imperially

Amery and Bennett

THE coming of Mr. Amery has again turned the thoughts of Canadians to the larger vision of an Imperial economic unit. Mr. Amery sees the Empire as a whole. It was an interrupting idea that he presented to the Vancouver audience when he said that while the United States dominated the world last generation economically the coming generation will see the economic ascendancy of the British Empire. In his Western speeches, Mr. Bennett, leader of the Opposition, has been emphasizing a similar thought. This week, in Toronto, Hon. John S. Martin, Minister of Agriculture in the Ontario government, discussed the "Links of Empire." The links to which he referred were named as Science, Settlement and Sentiment, words that suggest wide vistas of thought. Slowly Canadians are awakening to the importance of their position in the Empire, particularly from the standpoint of trade, commerce and migration.

* * *

MR. JULIUS KLEIN, Director of Foreign and Domestic Commerce, Washington, is evidently somewhat worried over the development of this Imperial economic cohesion. Dr. Klein, in a recent statement, showed what British Empire trade meant to the United States:

"Britain has organized the Imperial Marketing Board, which is to receive $5,000,000 annually for ten years. That Board, as indicated by Stanley Baldwin, the Prime Minister, is for developing trade between the different parts of the British Empire. The British Empire is easily our largest customer. If my memory serves me, we sell not less than 44 per cent. of our total exports to units of the British Empire and any move like that is of considerable interest to us."

If Dr. Klein thinks that the rise of the Empire will hurt the United States, he takes the narrow vision. He fails to see that the development of the British Empire is the best development that could happen for the United States. The British Empire, with its 450,000,000 possible customers, is the greatest probable market for United States investors and producers. The reference recently made by Hon. James Malcolm, our Minister of Trade, to a big cargo of Canadian products in great variety, including luxuries, that went from Montreal to one of our black colonies in the West Coast of Africa, showed how even apparently uncivilized people were rapidly becoming important customers.

* * *

THROUGH the establishment of subsidiaries of their various industries in Canada, in Australia and in England, the United States will have the full benefit of the great British Empire trade. They have already invested hundreds of millions in Canada and if our European competitors do not prevent the development of Empire Trade, the United States investments in Canada will be figured in billions.

United States commerce, which includes finance, shipping, insurance, and so on, will be involved in this great development.

This is not all the benefit that will accrue to the United States commerce and industry. Canada is their best customer to-day. With a greater population in Canada and more money to spend, tremendously increasing amounts will go direct to the United States.

Even this is not all. The community of commercial interests between the Empire and the United States will develop a moral unity which will mean more for the peace of the world than all the work of theorists, uplifters and job-seekers of Geneva and of the European nations and their interested advocates on this side.

* * *

IN MORE ways than one Quebec has displayed vision in its provincial government. It shrewdly guards its natural resources. It is alive to its industrial assets. But it is not purely materialistic. It is the only province which fosters the arts by awarding each year scholarships and prizes for native literature and music—thanks to Hon. L. A. David, provincial secretary.

It is one of the many topsy-turveyisms of Canadian politics that the Dominion Government is offsetting what Quebec is trying to do. Not only does Canada fail to encourage a native literature, but it penalizes it. The greatest factor in the development of Canadian literature is the Canadian magazine. Yet the Canadian publisher must meet unfair competition from American magazine publishers. He pays heavy duties, or additional taxes, on every particle of raw material which goes into his product, while his United States competitor is invited to flood the land with his publications scot free. No wonder that the Canadian author is forced to sell his best work across the line. Freed of unfair impediments, the Canadian publisher could make a fair profit and share it with the native author and the native artist, as, in his own interest, he undoubtedly would do.

Quebec has shown that it realizes the value of a sturdy Canadian literature. With so strong a voice in Ottawa, it could secure decent treatment for the Canadian author had it the will to do so. Why not?

* * *

THE news published this week by The Financial Post that an outstanding group of Canadians are willing to develop power on the St. Lawrence, and at the same time, to

(Continued on page 2)

LOW INTEREST OVER BORDER AROUSES ENVY

Certain Canadian Mercantile Borrower Pays Less in U.S.

BANKS DEFEND RATE

Say Scale Across Canada Averages Small, With Surplus of Branches as One Reason for Expense

Interest rates on commercial loans and demand or call loans from Canadian chartered banks are not likely to decline materially, in the opinion of responsible bank executives, although some Canadian borrowers are getting their money from the United States.

Canadian borrowers, almost without exception, are inclined to assert that Canadian banks charge too much for loans, while the banks are always ready to defend their rates on the plea that conditions in Canada are not the same as conditions in the United States. In most instances, moreover, the bankers are not ready to admit that the rates in Canada, on the average, are any higher than rates in the United States.

Calling $1,000,000

The call loan rate in New York is usually the comparison which is made with any existing rate in Canada. There is no real call loan market in Canada. The so-called call loans are really demand loans and the borrower normally is given anywhere from three days to a month to reduce his obligations. One bank general manager pointed to the difference between that and the New York market. On an occasion, his own bank called $1,000,000 at 10 a.m. and had the money in Toronto before noon.

"What would be the effect if we called $1,000,000 in Canada and demanded the money within a few hours?" he asked by way of illustrating the difference as well as to demonstrate that the temporary placing of money in New York where it can be had on such short notice, is a safeguard to stabilization in Canada.

6 Per Cent. Mercantile Loans

Good Canadian borrowers depositing Victory bonds as collateral can borrow at 5 per cent. at present. Certain investment houses and stock brokers who submit high-grade industrial bonds and stocks are getting money at 5½ per cent. The general run of stockbrokers' loans against varied classes of stocks are at 6 per cent. and a few borrowers against stocks are paying 6½ per cent. One individual borrower stated to The Financial Post that he was borrowing money at 6 per cent., against a variety of mining stocks.

The prevailing rate in Canada on commercial loans is 6 per cent. Smaller commercial borrowers in less important centres pay 6½ or 7 per cent. and an 8 per cent. rate still prevails in a number of rural districts.

A Chicago banker recently stated that commercial money was being placed at 4½ per cent. Where the borrower was using considerable sums and was in a sound financial condition. So far as can be learned, no large commercial borrower in Canada is able to obtain a lower rate than 6 per cent. on mercantile security.

Confidant of Banker

There are various rates in the United States. The American Banker recently stated, in explaining the differences in commercial rates in various parts of the United States, that "the customers' market is not a single unified national market where competition between lenders drives all rates to a parity, irrespective of local differences in the supply and demand for funds, but a series of loosely connected competitive markets in which such differences express themselves in differentials in rates that are charged."

"From the customers' standpoint," concludes the Banker, "one might draw the conclusion that his best chance of securing preferential treatment lies either in aligning himself closely with a bank handling his business, and making that bank his confidant or, if his business is large enough, making two or three strong local connections and pursuing the age-old practice of shopping around for the best borrowing bargain."

Competition in Large Centres

There is competition between banks in the large centres of Canada, but in the smaller districts, and among the smaller borrowers, about the only course open to him is to make a confidant of his banker and taking what is offered. There are few Canadian mercantile borrowers who have connections with more than one bank when it comes to financing their current obligations. Neither is

(Continued on page 2)

Canadian Savings at Record Point

The Canadian government bank statement for November 30 last, which was issued this week, showed two new high records for Canadian banks.

The total assets of the banks reached a new high for the first time since October, 1921. The assets of the banks stood at $3,155,000,000 on October 31, 1921. After that date assets declined over a term of many months while Canada and the whole world were going through a period of business depression. Assets of the banks declined by over half a billion dollars. The steady upward climb began about three years ago and, with seasonal setbacks, the figures have mounted higher and higher until at the end of November total assets of the banks stood at $3,242,400,000.

At the same time a new high record in savings deposits was reached. Savings accounts in the banks stood at $1,430,955,000 at November 30, 1927.

In addition to deposits in savings accounts there were $710,300,000 in current accounts, making total deposits in the banks $2,141,300,000.

It must be remembered that the price level has changed since October, 1921, when the peak was last reached. At that time the general price index in Canada stood at over 155 and at November 30 last had declined to 152. The change, while small, does indicate that the purchasing power of the dollar is slightly higher to-day than six years ago. For that reason the buying power represented by the money in Canadian banks to-day must be considered as having increased more than the bank figures themselves would suggest.

Tax on Cigarettes May be Curtailed; Also on Liquor

Cut of from $2 to $3 per Thousand is Predicted

STOCKS ADVANCE

Practically Certain Excise Taxes on Canadian Liquors Will be Greatly Reduced

From Our Own Correspondent

OTTAWA.—The Federal Cabinet commenced, this week, to frame the programme for the forthcoming session of parliament. So far, cabinet discussions have not proceeded far enough to warrant forecasts of legislation.

The budget, for example, has only been dealt with in a general way. However, there is one reduction in taxation which may be forecast with certainty, and that is a cut in the excise tax on cigarettes of from $2 to $3 per thousand. The present rate of excise is $6 per thousand.

It may also be taken as practically certain that excise taxes on Canadian liquors will be greatly reduced.

Apparently, some intimation of this impending change already has got abroad, cigarette and distillery companies' shares listed on the stock market have discounted such a move. Stock values have advanced. There is abroad, undoubtedly, a general belief that a tax reduction is coming.

Taken For Granted

That this belief rests upon a sure foundation, may be taken for granted. The Imperial Tobacco Company of Canada, Ltd., and other companies manufacturing cigarettes have put their case for a reduction in the excise tax before the Tariff Advisory Board, and have succeeded in doing so without arousing opposition from any quarter. Theirs was the first application ever to receive the hearty endorsation of the Canadian Council of Agriculture and the Consumers' League of Canada, the two main bodies which, as a rule, have opposed the appeals of manufacturers for assistance.

The degree to which Federal taxation enters into the price of cigarettes in Canada is not commonly known. Take, as an example, a well known brand selling at 25 cents per packet of 25 cigarettes. This works out at $12.50 per thousand. The excise tax, alone, is $6 per thousand, or nearly one half of the total. But in addition, the manufacturers pay a duty of 40 cents per lb., on the leaf which goes into the cigarettes, and all this raw tobacco for cigarette manufacture is imported. The duty on the raw leaf required to produce 1,000 cigarettes would be $1.20. Then there is the stamp tax of 40 cents. All told, therefore, the taxes account for $7.60 of the $12.50 which the consumers pay.

In other words, the manufacturers could sell these cigarettes, if there were no taxes, at 20 for 9 cents and make as much profit as they are doing to-day.

Consumption Curtailed

The effect of high taxation has been to curtail consumption of cigarettes; to stimulate smuggling; and to encourage the sale of cigarette tobacco, with which consumers may roll their own.

The Tariff board has been investigating the cigarette industry, and

(Continued on page 2)

Large Order Goes to Canadian Car

From Our Own Correspondent

MONTREAL.—The largest equipment order given for the railways in this country for a long time has been placed with the Canadian Car and Foundry and the National Steel Car Corporation by the Canadian Pacific. The total amount involved in the C. P. R. purchase of new rolling stock amounts to over $3,000,000—a figure which may be considered only of moderate size despite the fact that it is the largest which has been placed for some time. The equipment ordered by the company from the two car manufacturing organizations is as follows: twenty first-class coaches, five café parlor cars, fifteen horse-cars, 300 automobile cars, 200 freight refrigerator cars, and 50 ballast cars.

RUSSELL MOTOR STOCKS ATTRACT MORE ATTENTION

Two Subsidiaries Will be Able to Maintain Dividends

WHIPPET MAY HELP

One of the companies benefited through the revival of production in the motor-car industry is Russell Motor Car Co. The company is benefiting at once through its subsidiary, Canadian Acme Screw & Gear Co., and will benefit still more if sales of the Overland Whippet in Canada are as great as is expected. Russell Motor Car Co. owns $1,000,000 of the $3,000,000 of stock of Willys-Overland (Canada). The other $2,000,000 is owned by the Willys-Overland Co. of Toledo, O.

The seven per cent. preferred stock and the common stock both are selling on a seven per cent. basis, with comparatively few trades recorded on the Toronto Exchange, where both classes are listed. The preferred comes out somewhat more freely than the company, the majority of which is said to be held by insiders.

Gear Business Grows

Earnings of Canada Cycle & Motor Co., another subsidiary, are increasing gradually. The profits from the gear business are growing more rapidly. The company about a year ago bought the Galt Machine & Screw Co. and the result is said to be highly satisfactory. The earnings from these two subsidiaries are said to be adequate for the maintenance of present dividends on both classes of stock, and the speculative element as regards the common involves the receipt of substantial profits from the interest in the Whippet enterprise.

Russell Motor Car Co. is itself now purely a holding company. Its balance sheet reflects a healthy condition which appears to place the preferred stock in a higher ranking for investment purposes than prevailing prices would indicate.

Has Assets in Bonds

According to the last available balance sheet, for the year ended December 31, 1926, direct current liabilities were only $26,062, of which $24,000 was for dividends declared and unpaid. There was a contingent liability of $216,075 and the building, investment and insurance reserve stood at $258,343. The capital stock consists of $1,200,000 of preferred and $800,000 of common.

On the assets side are shown Dominion government and provincial bonds to the total of $367,627, municipal and other bonds totaling $119,972, real estate at $33,755, accounts and bills receivable at $51,818 and investments in allied and subsidiary companies at $2,469,162. Total assets are given at $3,042,671.

It is understood that the company has written down its investment in Willys-Overland of Canada from $1,500,000 to $200,000.

Maple Leaf Earnings Exceed $17 Per Share

Earnings of Maple Leaf Milling Co. are reported to be running in exces of $17 the share on the 25,000 shares of common stock. The mills are said to be operating at or near to capacity for almost the first time in their history, while the earnings of controlled companies, including Canada Bread and Canadian Bakeries, are also growing.

In the year ended March 31, 1927, Maple Leaf showed earnings of $5.31 on the common stock after depreciation, bond interest and preferred dividends. This was in a year which was not especially favorable for the milling industry as a whole. Proportionately, Maple Leaf suffered as much as any.

Economies put into effect in the current fiscal year alone are said to be equal to $10 the share on the common stock, so that there need be only a moderate growth in revenue from other sources to bring the net per share to the $17 figure which has been estimated.

Maple Leaf common has been selling at 106 to 106½.

AMERICANS INTIMIDATE NEWS AGENTS

Dealer Who Displayed Canadian Magazine is Threatened

SORE ABOUT TAX

American Agents Say Canadian Publishers Responsible for Tax on Trashy American Papers

Flagrant intimidation of Canadian booksellers and news dealers who push the sale of Canadian literature is being carried on by certain American magazine publishers and news distributing organizations.

Instances have come to light of serious obstructions being placed in the way of Canadian newsdealers who have run window displays of Canadian magazines or in any other way encouraged native or British literature. Direct agents of American publishers as well as news agencies distributing American papers have been guilty of trade practices that are not in keeping with modern day business ethics and that reveal an attempt by American business men to throttle the development of a Canadian industry.

One Toronto news dealer who filled his windows with Canadian publications was told by an American controlled wholesale news distributor that if he continued to boost the sale of Canadian magazines his credit privileges would be withdrawn.

In numerous other cases that have come to light Canadian news agents were told that they should not sell Canadian magazines because the Canadian magazine publishers were responsible for having a customs duty placed upon American fiction magazines of the more or less undesirable type, this tax having served to cut the margin of profit of the dealer.

For instance, a magazine formerly selling at twenty cents yielded the dealer a margin of five cents, the same magazine now sells at twenty-five cents and yields him a margin of only four cents. Because the government saw fit to put the cheap and trashy type of sensational American magazine in the same class as dime novels, the news dealers are being asked to knife Canadian literature and boost magazines that present the American viewpoint to the Canadian public.

This of course is merely an excuse to create prejudice as the facts are that fiction has always been dutiable but until Hon. Mr. Euler took charge of the customs the tax had not been enforced on fiction and on a number of other items. Also, the Government took action in response to an insistent demand in the press that something be done to curb the distribution of the salacious fiction works, and because of numerous resolutions from religious bodies, patriotic societies, women's and other organizations all over Canada.

EMPIRE ECONOMICS

RT. HON. L. C. S. M. AMERY, who tells Canadians that their share in the British Empire's advance in the next generation will be very great.

ALGOMA STEEL AND HOLDING CO. DRAW ATTENTION

$1,500,000 is Spent on Improvements During Last Three Years

Securities of Algoma Steel Corp. and of the holding company, Lake Superior Corp., have been attracting greater attention in the last few weeks owing to the improvement in the Sault Ste. Marie industry, which is just coming to notice.

It has been revealed strikingly that the steel company has spent $1,500,000 in improvements in the last two or three years. In 1927, the corporation put $560,000 into a 39-foot rail mill, and a coke screen plant, as previously reported in The Financial Post. Expenditure of another $50,000 was commenced since the municipal election in Sault Ste. Marie, which resulted in additional rights being given the Great Lakes Power Co.

Algoma Steel Corp.'s troubles began after the war, when the demand for rails fell off. The corporation began immediately to diversify its products. The results began to show definitely in the last year or two, with the result that pig iron, merchant bars and other steel products, as well as coke, are being produced at Sault Ste. Marie in ever-increasing quantities.

British Minister to Buenos Aires Named for Canada

Sir Malcolm Robertson Likely to Get First Ottawa Title

By Staff Editor

OTTAWA. — The constitutional experts are having another gay innings, what with a plentiful bestowal of high commissionerships and ambassadorships all around. There are more to come. Ottawa is not telling all the news on the same day. But nothing will be left undone to indicate to the world that Canada is a nation, independent and free from any other nation, ranking in the world with the United States, France and Great Britain.

It will not be surprising if, when the British High Commissioner to Canada is named, he is given the title of Minister Plenipotentiary to Canada, while Canada's High Commissioner to London would become our Minister Plenipotentiary to that country. Whether the title goes with the job or not in either instance, the two High Commissioners will be given the rank and dignity of the ambassadorial job anyway.

Mr. Larkin, it is anticipated, will remain in London for a while at least and will be the first Canadian High Commissioner to enjoy the new elevated status of a virtual ambassador. No announcement has been made as to who will be the British ambassador to Canada, but Sir Malcolm Robertson, at present British ambassador to the Argentine, is likely to get the appointment. Sir Malcolm is one of the most brilliant of the younger British diplomats. He is fifty years of age, son of a diplomatic father, has an American wife, and has filled diplomatic posts in Berlin, Pekin, Bucharest, Monte Video, Rio de Janiero, Washington, Hague, Tangier, Buenos Aires and on the Rhineland Commission.

An exchange of ambassadors between France and Canada has already been announced and Hon. Phillippe Roy, Canadian High Commissioner to France, is expected to be Canada's first minister.

An equally significant change is expected in the status of the governor-general and it would not be surprising if his title too, were changed to "Vice-Roy." This would indicate that he is indeed the King's personal representative in Canada instead of being the "governor" general representing the British government. The change would emphasize that Canada and Great Britain are two distinct countries that happen to have the same king.

Mr. Larkin is said to be anxious to retire at no distant date, but he will remain in London for some time. The next move in this grand shuffle of titles and dignities is much further in the distance. That is the appointment of Mr. Massey to the British ministership in London. But an early transfer of Mr. Massey can hardly be arranged quickly for such would not be courteous to the United States.

Hunt's Dividend Likely This Quarter

It is expected that Hunt's Ltd., operating a candy factory and a chain of tea rooms and confectioneries in Toronto, will place its common stock on a $1 dividend basis in the current quarter, with an initial payment of 25 cents the share.

Hunt's expects gradually to expand. The only shop operating outside Toronto is one in Hamilton, but the company is on the lookout for suitable sites in other cities in Ontario.

Brewers and Distillers Declare First Dividend

Stock of Brewers and Distillers of Vancouver, Ltd., has been split on the basis of five shares of no par value for each of the old shares of the denomination of five dollars. A initial dividend of ten cents a share on the new stock, has also been declared by the board payable on the 16th of this month.

Canadian investment interest in the stock of this company has been limited as most of it was placed on the London market. An original offering of 900,000 shares, par value of $5 each, was made in 1926, at 20 per cent. under par. Proceeds from this issue went to provide funds for the purchase of the stock of British Columbia Breweries, Ltd., and British Columbia Distillery Co., Ltd. Both subsidiaries continue to operate under their old names for trade reasons.

In the latter part of last year the old stock took a sudden jump in value, and is currently quoted at around $17 a share. Although the stock is listed on the Toronto board and is traded in on the Montreal curb, most of the buying and selling takes place on the London market.

Colossal Hydro Undertaking Rivalling Largest in World is Project for St. Lawrence

Virtually Entire Initial Power Output Has Been Sold to Electro-Chemical, Metallurgical and Kindred Industries in Canada

2,000,000 HORSEPOWER

Plans Are Completed and Undertaking is Believed to Have Full Sympathy of Quebec Government—Understood Federal Authorities Do Not Look Unfavorably on Scheme

From Our Own Correspondent

MONTREAL.—The present year will probably witness the initial construction work on the largest hydro-electric power development yet undertaken in Canada, or for that matter, in the world. A satisfactory feature of the undertaking is that virtually the entire initial power output of 300,000 horsepower has been sold to large electro-chemical, electro-metallurgical and kindred industries which will locate plants in Canada as soon as the development work is undertaken. The new plant, which is to have as an ultimate capacity the gigantic total of more than 2,000,000 horsepower will be located on the St. Lawrence just west of the island of Montreal—not more than 25 miles as the crow flies from Place d'Armes Square, the historic centre of the royal city.

The strength of the interests behind the immense project is in keeping with the magnitude of the undertaking.

The project is owned by Beauharnois Light, Heat & Power Co., of which R. O. Sweezy is president.

Canal to Be Cut

As has been said, the power plant will be located on the St. Lawrence just west of the island of Montreal and will utilize the head of waters between Lake St. Francis and Lake St. Louis. A canal will be cut a distance of the 13 miles between these two lakes. The two lakes are really nothing more than a broadening out of the St. Lawrence river. The power house will be located at the lower end of the canal and will thus obtain the benefit of the full head of 83 feet between the two lakes.

The plans for the project have been completed and, it is understood, have the entire sympathy of the Quebec Government. The entire project is located within the borders of the province of Quebec. The large interests behind the development are understood to be connected in no way with any other large Canadian power interest. When the names of those behind the undertaking are revealed, their strength will be instantly apparent.

As the development is to take place on a navigable river, it must receive the imprimatur of the Federal Government. As yet, the Federal authorities have not given the word to the sponsors of the undertaking to proceed, but while several large interests are understood to be somewhat opposed to the Lake St. Louis power project, yet it is understood that the Ottawa authorities regard the scheme and those behind it in anything but an unfavorable light.

Development in Abeyance

For the moment, the development is in abeyance pending the discussion by the Government of the report of the National Advisory Committee on the St. Lawrence Deep Waterways plan. One of the reasons why it is thought that Ottawa will regard the project favorably is because it interferes in no way with the navigation on the river. Another reason is that the power canal would be more than adequate for, and would be used for navigation. This would reduce the cost to the country of constructing a 27 foot navigation canal on the north side of the river. The proposed development would be on the south shore.

The recommendation of the engineers and the National Advisory Committee to the Government in no way precludes the possibility of the development at Lake St. Louis and indeed favors such a development.

As has been said, the project calls for a 13 mile canal connecting Lake St. Francis and Lake St. Louis. The canal itself will be more than adequate to handle ocean going traffic and the first unit in the scheme will consist of a 300,000 horsepower plant. Further units can be added in blocks of 50,000 horsepower. As further power is required, so the canal connecting Lake St. Francis, the upper lake with Lake St. Louis will be widened.

Development of Power

Another reason why Ottawa will probably regard the project with a sympathetic eye lies in the fact that it is the only section on the St. Lawrence, and the only possible plan whereby the power can be developed as it is required. In other sections of the river or under any other scheme than the one proposed between Lake St. Francis and Lake St. Louis, it would be necessary to erect dams which would impound water far in excess of the present or prospective demand for power. By using any of the other suggested developments in the deep waterways scheme, the government would be under the necessity of borrowing an amount on which it would receive no commensurate return in the way of profits from the sales of power.

Those behind the Lake St. Louis project already hold, through a Quebec charter all the development rights at the site and have the right to construct the necessary canals. Obviously, though, they will not proceed with the undertaking until the St. Lawrence Deep Waterways matter is decided. While the owners have the rights, should they take any action, the government could, to safeguard its interests in the St. Lawrence Deep Waterways, pass an act restraining the development. The capital cost of the project at Lake St. Louis would be borne entirely by private interests. The government would not be called upon to guarantee or to pay anything for the construction of the canal to accommodate ocean-going traffic. An important point about the project also is that the capital cost will be low—extremely low. When completed, power could be sold at a figure materially lower than the industrial rates now prevailing generally in Ontario and Quebec. This is another factor of which the Ottawa authorities are cognizant; it makes the project all the more attractive.

Many Good Points

As far as the Dominion [illegible] is concerned, [illegible] about the project which [illegible] to all business men. In the first place, it is a satisfaction to know that the interests behind the proposed undertaking are of a character and a strength to carry it through to a successful conclusion. Secondly, the fact that virtually the whole initial output of 300,000 horsepower has already been sold, means that there will be a large industrial development in the area served by the project. How big such a development will be can be understood better when it is remembered that Shawinigan, in serving the principal and most prosperous areas in the province of Quebec, distributes in all some 600,000 horsepower. The Lake St. Louis development would undoubtedly bring increased prosperity to business generally throughout Eastern Canada.

The fact that the proposal includes also the ability to develop economically over 2,000,000 horsepower at a really low cost, means that for the future, industries desiring low cost power would continue to be attracted to the Dominion.

The interests behind the Lake St. Louis plan are now asking the Federal authorities for the right to proceed with their plans. Work will begin as soon as the necessary authority has been obtained; for, as has been said, the market for the output of the initial installation is

(Continued on page 2)

Investors' Index

Howard Smith . . 8
Hunt's, Ltd. . . . 1
Imp. Oil 9
Inter. Pref. . . . 9
Inter. Power . . . 2
Lake Ont. Brew. . 9
Monelk Mine . . . 18
Montreal Trust . . 3
Maple Leaf . . . 1
Monarch Mort. . . 5
Montreal Light . . 2
McColl-Front. . . 9
Mackay Cos. . . . 9
Mont. Trams . . . 5
Nat. City Bank . . 4
Orange Crush . . . 5
Pressed Metals . . 4
Photo Engravers . 4
Russell Motor . . 1
St. Catherine Imp. 4
Spanish River . . 8
Seagram's 9
St. Maurice . . . 5
Tucketts Tobacco . 9
Viau Biscuit . . . 4
Windsor Hotel . . 9
Zimmerknit . . . 5

Abitibi Power . . [illegible]
Algoma Steel . . . 1
A. W. Chase . . . [illegible]
Building Products [illegible]
Brading Brew. . . [illegible]
Brooks Motors . . [illegible]
Brewers & Dis. . . 1
Besco . . . . . . [illegible]
Can. Can. Loan . . 15
Can. Indus. Alco. [illegible]
Can. Celanese . . [illegible]
Cities Heating . . [illegible]
Canadian Bronze . 12
Canada Cement . . [illegible]
Consumers Gas . . [illegible]
Christie Brown . . [illegible]
Canadian Car . . . [illegible]
Canadian Gen. . . [illegible]
Drummond Street [illegible]
Dominion Bridge . [illegible]
Dryden Paper . . . [illegible]
Front. Oil 11
Fraser Cos. . . . [illegible]
Fidelity Trust . . [illegible]
Famous Players . . [illegible]
Gotfredson . . . . [illegible]
Harker Gold . . . 18

MINES

Amulet 20
Asbestos Corp. . . 20
Arntfield Syn. . . 20
Abbey 20
Amity Corp. . . . 16
Barry Hollinger . 20
Buckingham . . . 20
Boston-McCrae . . 17
Brit. Can. Mines . 20
Bedford 20
Brit. United . . . 20
Bidgood 20
Big Missouri . . . 20
Com. Royal . . . 20
Dupuis 16
Dominion Lead . . 20
Engineer Mine . . 20
Fiske Gold 20
Flin Flon 20
Gold Hill 16
Howe Sound . . . 20
Howey Gold . . . 17
Inter. Nickel . . . 20
Keeley 20

Kirkland Gold . 19-20
Lebel Lode 20
Minerals Fin. . . . 20
Walsh Katrine . . 20
McDougall 20
Melnor Copper . . 20
Marshay Zinc . . . 20
March Gold 20
Malartic 20
Metals Dev. . . . 20
Manor Mines . . . 17
Marriott 18
Noranda 20
Nortricia 20
Ontabee 20
Pontiac 20
Petroleum Roy. . . 20
Robb Montbray . . 20
Sudbury Zinc . . . 20
Sudbury Basin . . 18
Tadanac 19
Sherritt-Gordon . . 20
Tough Oakes . . . 20
Wright-Harg. . . . 20

QUOTATIONS

Bonds 14
Mines 18
Stocks 14
Unlisted Stocks . 14

REGULAR DEPARTMENTS

Business Review 7
Pulp and Paper .... [illegible]
Editorial .... [illegible]
Investors' Inquiries .... [illegible]
When Women Invest .... [illegible]
Insurance 12
Banking 13

INTER. POWER BUYS NORMEX REPORT SAYS

Negotiations Are Believed to Have Been Almost Concluded

PRICE IS NOT SETTLED

Action of Stock Indicates Some Controversy as to Worth of Utility Property

It is apparent that International Power has almost concluded negotiations for purchase of Northern Mexico Power & Development. The price mentioned has been $125 for the common stock of Northern Mexico, but confirmation on this point is lacking. The action of the stock would indicate, however, that the price, if agreed upon, is considerably lower. The guess is that the price will be around $110.

Acquisition of Northern Mexico by International Power will occasion little surprise. The same company a year ago bought Porto Rico and the Hon. W. D. Ross, lieutenant governor of Ontario, and [illegible] Wood, are on the board of [illegible] pany.

Earnings Increase

Northern Mexico has shown an ability to increase its earnings in recent years. It has been freer than most of the other Mexican companies from political interference and good prices are obtainable for its power, principally from mining companies, because of the high cost of competitive fuels in the region served.

International Power was incorporated in Canada by a Royal Securities group about two years ago as a public utility holding company. It now controls Porto Rico Railways, Newfoundland Light & Power Co., Venezuela Power Co., San Salvador Light Co., Demerara Electric Co., Bolivian Power and in the past year secured control of Electric Light & Power Co., of Oruro.

It has been assumed that the company would seek control of other properties, but the news of its negotiations for Mexican Light is somewhat of a surprise. International Power is considered to be a long-hold speculation with attractive possibilities. The common stock is now selling above 40. This represents a rise from fourteen in less than a year.

TAX ON CIGARETTES MAY BE CURTAILED; ON LIQUOR ALSO

(Continued from page 1)

the effect upon it of the excise tax, for several months. Two hearings have been held, and the case is now complete. It will be largely upon the report of the Tariff Board that Hon. J. A. Robb, minister of finance, will base his budget legislation, and a clear indication of what will be done may be gleaned from the evidence brought out by the Board.

The cigarette manufacturers showed, by statistics, that there used to be very little difference in the per capita consumption of cigarettes in the United States and Canada. In 1913, when the Canadian excise tax was $2.40 per thousand, and the United States tax $1.08, Canadian consumption was 129 per capita and that of the United States 148. This was only a very slight disparity. In 1927, however, when the Canadian excise tax was $6 per thousand and that of the United States $3, the per capita consumption in Canada had grown to 307, while the figure in the United States was 719. The manufacturers declared that the rapid growth in consumption in the Republic was due, chiefly, to the low rate of taxation prevailing there, in contrast with the high rate in this Dominion. Excise taxes in the United States have been increased in the last 15 years, but not to the same extent as in Canada. In 1908, the Canadian rate was $2.40 per thousand. This was increased in 1914 to $3; and in 1919 to $6. It was further increased in 1922 to $7.50, but dropped back in 1923 to $6, where it now remains. In the United States, the rate was $1.08 until 1919, when it was raised to $2.05, and again in 1920 to $3.

Excise Duties

A difference between the taxes of the two countries of $3 per thousand, not to mention custom duties, which are higher in Canada, amounts very nearly to 1/3 of a cent per cigarette, or to 6 cents on a packet of 20. However, the excise duties are added to the manufacturers' price, so that the tax is pyramided in the later stages of marketing and amounts, when the consumer is reached, to about 10 cents per packet. This explains why similar brands of cigarettes may be purchased for 15 cents in the United States and 25 cents in Canada.

The manufacturers submitted highly reliable evidence, obtained by secret service operators, to show that smuggling of cigarettes had grown to enormous proportions in recent years. The figures which the manufacturers compiled from the reports of trained investigators were so large as to appear incredible, and, before the Tariff Board, they reduced their estimate and placed the total cigarettes annually smuggled into Canada at 600,000,000. This amounts to more than 25 per cent. of the cigarettes legally entered in Canada or manufactured, for consumption.

The Federal Government at the present time, derives more than half as much revenue from the cigarette taxes as from the income tax. In 1927, this revenue totalled $32,610,139. The question of a loss in revenue, therefore, is of importance, and will be carefully considered by Mr. Robb.

Cigarette Consumption

Statistics on consumption of cigarettes in Canada, however, will give a clue to what might be expected to happen if the excise tax was reduced.

Year	Consumption	Excise tax
1921	2,439,832,678	$6.
1922	2,450,397,154	6.
1923	1,917,183,208	7.50
1924	2,419,884,071	6.
1925	2,531,693,150	6.
1926	2,883,448,160	6.
1927	3,279,186,050	6.

It is important to notice that when the tax was raised to $7.50 per thousand, consumption dropped more than 500,000,000, but immediately improved when the tax was restored to the lower level. Otherwise, the increase in consumption has been steady, but upon a much more gradual scale than in the United States.

The manufacturers estimated that if the tax was reduced to $3 per thousand, the price of the more popular brands to-day would drop from 25 cents for a packet of 20, to 10 cents for a packet of 10. They pledged themselves to hand on to the consumer any reduction given them by the government.

They also estimated that if the prices were cut to the above figure, smuggling would cease and consumption of cigarettes in Canada in the first year would increase 33 1/3 per cent. Worked out on this basis, the revenue which the government would derive, on a $3 tax rate, would be $23,283,441, or $326,697 less than last year. In the second year of the decrease, however, the government, in their opinion, would regain all losses and show increased revenue.

Stemmed and Unstemmed

They made the further important point that the tax was increased from $3 to $6 as a war measure. The war being over, and the national finances being in a very healthy condition, they now contend that taxation imposed in a time of national crisis should be withdrawn.

The cigar makers have also applied to the Board for a reduction in the duties on stemmed and unstemmed raw leaf. However, there is strong opposition from the Canadian growers and the outcome is uncertain.

It is clear from this that the cigarette makers put up a very strong case for a reduction. The case is so strong, indeed, that there is no question at all as to whether they will receive a tax reduction. The only question arises as to how much it will be. The manufacturers asked that the tax be reduced from $6 to $3. It may be that they will get all that they desire. Much will depend upon how a reduction would affect prices. Canadian consumers buy in units of silver money—10, 15, 20 and 25 cents—and the government will consult with the manufacturers in order that the reduction may fit in with this purchasing habit of the consumers. It may be relied upon, however, that the tax will be cut at least to $4 per thousand.

Banks Win Victory in Priority Action Over Besco Loans

On This Decision Depends Course of National Trust Fight

HELPS MANAGEMENT

Remaining Action Concerns Questions of Winding Up of Dominion Steel Corp. Holding Company

INSURGENT

W. H. HAMMOND, Potato rancher of Ascroft, B.C., who is heading the "revolt" against the provincial fruit marketing act.

From Our Own Correspondent

MONTREAL.—The decision of the Supreme Court of Nova Scotia in the British Empire Steel Corp.'s priority action has gone against the National Trust Company. The court has decided that the banks have the prior claim on some $2,300,000 representing a portion of the working capital of the Dominion Iron & Steel Co., which, for the past few months has been under the jurisdiction of the courts, pending the decision regarding whether the banks or the bondholders have the prior claim to the funds.

On the decision of the priority action depended the future course of the fight now in progress between the National Trust Company, receivers of the Dominion Iron & Steel Company acting for the bondholders of that company, and the British Empire Steel Corporation and the Dominion Steel Corporation. To obtain an idea of the important place occupied by this action in the situation surrounding the Dominion Iron & Steel Company, it is necessary to revert to the time when the Dominion Iron & Steel Company first went into the hands of the receiver.

Industrial Organizations

At that time, the Dominion Iron & Steel had borrowed from the banks some $2,300,000 under section 88 of the Bank Act, which allows the banks to loan money on commodities in process of manufacture. In other words, it allows the banks to make loans on a large proportion of the working capital of most industrial organizations.

Before Dominion Iron went into the hands of the receiver, it had borrowed some $2,300,000 in this fashion; the loans were guaranteed by the holding company of Dominion Iron, namely the Dominion Steel Corporation.

In the 1926 annual report to the shareholders of Besco, the president called attention to the fact that the primary reason why the Dominion Iron failed to meet its bond interest requirements on July 1, 1926, was due to the doubt which had arisen in the minds of the Dominion Iron's bankers regarding the ability of the company to give security upon its products in process of manufacture. In other words, at that time it was felt that under the charter of the company there existed a possibility that the bondholders of the Dominion Iron might have first claim on the security upon which the banks had made their loans to the Dominion Iron. Thus, the Dominion Iron appears to have passed into the hands of the receivers, not through a deficiency in its working capital, but because of this doubt which had arisen in the minds of the bankers.

In the action, which has just been decided, Besco and its subsidiaries naturally took the stand that these loans were obtained from the banks in the normal course of business as covered by section 88 of the Bank Act. In its contention, the court has sustained Besco. The National Trust Company, acting on behalf of the bondholders, took the stand that the bondholders of the Dominion Iron had first claim on the assets.

Had the courts made a decision in favor of the bondholders and given them the prior claim on the Dominion Iron's current assets, it is obvious the banks would have had to accept a second or third mortgage lien on the steel in process of manufacture and that no further funds would have been advanced to the Dominion Iron by the banks to assist it in carrying out its day by day and month by month business. The decision which has been handed down means that the Dominion Iron can continue its operations in the usual way by borrowing from the banks to finance its purchase of raw materials and repaying its loans when the raw materials are turned into and sold as finished products.

Significant Point

What appears to be the really significant point about the decision is that, should it desire to do so, Besco might now be in a position to meet the interest arrears on the Dominion Iron issue and so to bring to a conclusion the receivership of the property and the snarl between Besco and the National Trust Company. However, it does not seem probable that such action will be taken despite the fact that the past year or two has witnessed an all-round improvement in the position of Besco coupled with some improvement in the steel industry.

It does not seem likely that Besco has any desire to reacquire the Dominion Iron. In the past, the losses sustained by the Dominion Iron have been a millstone around the neck of the parent corporation, and it appears to be conceded that under the present unfavorable tariff conditions, coupled with the unfavorable location of the plant as far as Canadian markets are concerned, that Dominion Iron is not a money-making proposition. Thus it seems reasonable to presume that Besco will make no move to regain control of the property until such time as it is on a money-making basis either through tariff adjustment or through better world trade conditions.

The next act in the unfolding of the Besco drama takes places before the Privy Council, probably next month, when the corporation will fight out with the National Trust whether or not the Dominion Steel Corporation is to be liquidated. The Canadian courts have ordered the liquidation of the Dominion Steel Corporation because that company cannot meet its guarantee of a portion of the consolidated mortgage bond issue of the Dominion Iron.

British Empire Steel

To realize the position of these companies, the investor must remember that the British Empire Steel Corporation owns all the common stock of the Dominion Steel Corporation which, in turn, owns all the common shares of the Dominion Iron, the Dominion Coal and several other companies.

In any event, the decision of the priority action handed down in Halifax this week leaves the way open for Besco to do some financing on Dominion Coal or Dominion Iron should it desire to do so.

Should the Privy Council decision regarding the liquidation of the Dominion Steel Corporation not sustain the decision already handed down by the Canadian courts, it appears that the British Empire Steel Corporation would be able to proceed with the re-financing or reorganization plans without the National Trust playing a dominant part in the picture.

Should the Privy Council decide against Besco and sustain the decisions already handed down in Canada, it might perhaps mean that the Dominion Steel would go into liquidation with the National Trust Company playing a more prominent part in the ultimate reorganization. On the other hand, though, it cannot be forgotten that the 1926 annual report of the British Empire Steel Corporation showed that it had a working capital of over $12,000,000. The working capital position of the company, due to the better business of 1927, should be stronger than this at the present time. Thus, a decision adverse to Besco might result in the corporation making some arrangement whereby it would be able to meet the liabilities of the Dominion Steel Corporation in its guarantee of the Dominion Iron bonds.

Liabilities Not Large

After all is said and done, the Dominion Steel Corporation's liabilities are not large. It has only guaranteed a portion of the Dominion Iron and Steel's consolidated mortgage bonds amounting in all to $4,639,000, on which the interest arrears are certainly anything but large. The chief claim of the bondholders of the Dominion Iron and Steel, represented by the National Trust Company as receiver, for a winding-up order for the Dominion Steel Corporation lies in this guarantee, which, as has been said, is not a particularly large liability when compared with the working capital position of the British Empire Steel Corporation. In other words Besco might, if a decision adverse to the corporation be handed down by the Privy Council, pay off the interest arrears on the guaranteed bonds.

MONTREAL LIGHT ONCE MORE TOPS NEW HIGH LEVEL

Annual Dividend is Likely to be Increased to $2.40

From Our Own Correspondent

MONTREAL. — The Montreal Light, Heat and Power Consolidated in 1927 increased by over 19,000 the number of customers served with electricity and gas. Profits for the year are again at a new high level. The annual report will be published probably within the next two weeks. It is now rumored that the first half of 1928 will witness an increase in the annual dividend, $2.40 instead of the present $2 is the figure named.

The forthcoming balance sheet and income account of the company will be awaited with more than ordinary interest, as for the first time the report will show a full year's operation under the company's present funded debt structure. Towards the ends of 1926, the shares were split and half the stock capitalization was replaced by a $30,000,000 bond issue.

The past year witnessed large expansions in the company's gas main and power distributing system. In about six months time, Montreal Power's new coke manufacturing subsidiary will begin to operate. From this source, the parent company will obtain an enlarged and less costly supply of gas which will be distributed by mains the parent organization.

COLOSSAL POWER UNDERTAKING BACKED BY PRIVATE CAPITAL

(Continued from page 1)

ready and waiting. All engineering and financial plans have also been completed.

Would Not be Flooded

The project would utilize the full head of the water from a little below Cornwall down to Lachine. It has an added advantage in that under the plans the areas adjoining the river would not be flooded and would not have to be expropriated.

Cornwall lies just a little above the head of Lake St. Francis and Lachine lies above the Lachine rapids on Lake St. Louis. Lachine, with the exception of a separate municipal council is virtually a part of the city of Montreal. The proposed power plant would be located across Lake St. Louis from Lachine. From this it can be seen that the plan would provide a rich industrial area with additional power.

NATION'S BUSINESS

(Continued from page 1)

look after navigation rights, is significant.

In the first place, it means that the development of the power and of the deep water navigation canal can be undertaken by private capital and that the burden of constructing the section of the St. Lawrence deep waterways affected can be done in a way that the burden will rest on individuals, rather than on the taxpayer.

Whether or not the Federal Government will sanction the project is not known. It is known, however, that it regards it in a favorable light. There are many other reasons why the project should receive the greatest consideration at Ottawa. It is owned by Canadians; it will bring large industries into Canada; it can be developed by easy stages from 300,000 up to 2,000,000 horsepower, and it can be constructed without the financial burdens which the Government is to assume in constructing the deep waterways on other sections of the river.

While the power project lies wholly in the province of Quebec, yet the canal to be used for developing power will also accommodate ocean-going ships. The strength of the interests behind the project ensures that it would be carried out efficiently. The Federal authorities would do well to give the sponsors of the development the sympathetic reception which it is understood has already been granted by the provincial government at Quebec.

The Financial Post is hardly in a position to urge acceptance of the plan. But it feels that such a project deserves the most sympathetic and thorough consideration.

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Government Not Likely to Tax Profits on Capital at Forthcoming Session

The government is not likely to introduce, at the coming session, an amendment to the income tax which will make taxable appreciation of capital as income. The United States taxes appreciation of capital, even winnings at poker. But while it takes no account of poker losses, it will allow for depreciation of capital in stock-exchange transactions.

Recently it has been rumored that the government would endeavor to get a share of the profits made in the stock exchange as distinct from income by way of interest and dividends. But the best information obtainable at Ottawa indicates that no drastic amendments in the income tax law are planned for the next year at least.

Generally the opinion is held that the present method, patterned after the British method, will not be changed at this late day. While the U. S. method might bring in considerable sums from some individuals, it also would involve allowance for losses occasioned by speculation. In the last two or three years the gains undoubtedly have exceeded the losses, but this condition does not obtain invariably.

It is expected tht over 2,000 artists from all parts of Saskatchewan will compete in the Saskatchewan Musical Festival, to be held at Moose Jaw, Saskatchewan.

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LOW INTEREST ACROSS BORDER AROUSES ENVY

(Continued from page 1)

it likely that rates can be driven down to a parity. There always will be various rates because there are various risks.

One reason that rates in Canada cannot be compared with rates in the United States is that, with a smaller population and a great number of branches, the cost of doing business is larger. It has been pointed out that Long Island communities, with a population of 500,000, have about 40 branch banks, while Toronto alone, with a population of 600,000 has, it is said, about 400 branches.

It is denied, moreover, that United States banks, even when belonging to the federal reserve system, give as much free service as Canadian banks. There is, it is true, a par collection of checks in the federal reserve system. But it is pointed out that there is a loss of interest between districts which is costly to the customers who receive large sums from distant points. General Motors telegraphs its cash from district to district in order to save interest. The Canadian collection charges, it is declared, would not equal this loss of interest.

Too Many Branches

Elimination of the superfluous branches in Canada, it is said, would so reduce operating costs as to make feasible some reduction in interest charges, but the authority for this statement did not venture the opinion as to which of the large chartered banks should begin to curtail extension of its branches, especially in cities.

As to commercial loans in the United States, it is declared to be the general practice of banks in the United States that borrowers maintain from 20 to 25 per cent. of the loan on deposit as a free balance during the life of the loan, thus bringing up the rate of interest. This practice probably grew from fact that the legal rate in some states, such as New York, is 6 per cent., and originated in days when commercial funds were not to be had at such a figure. There is an instance cited in financial circles in one American inland city where a borrower who needed $100,000 was compelled to take $200,000 and keep $100,000 on deposit, and when the time for renewal came around his loan was increased to $300,000. But later, when the loan, was repaid, he sued and got a rebate of interest.

Yet it is probably true that borrowing customers of United States banks often find it expedient to maintain a certain free balance, the amount of which is gauged by the total of their borrowing. Such being the case, the rate of interest set forth as the prevailing rate on mercantile loans is not the true rate.

Canadians Borrow in U. S.

Because they can obtain a lower rate on call loans and mercantile borrowings in the United States some Canadian borrowers have made connections in the United States. This course is not practicable in all cases.

The head of one large Canadian industrial company stated to The Financial Post this week that his company was borrowing for its current purposes from a bank in a United States city, that the rate was somewhat less than the best rate that could be obtained from any C adian chartered bank and that company was not required to, did not, maintain a free balanc the lending bank.

Canadian traders in such i listed Canadian stocks as C.P.R., ternational Nickel, Christie, Bro etc., if their dealings reach any v ume, often find it advantageous trade on the New York stock e change. There, perchance, they Canadian money at less than it c be had in Canada. There also ar few instances of borrowers again Canadian securities using Unite States banks because a lower rate obtainable.

But so far as can be learned fro Canadian Bank executives, this co dition is unavoidable and will no unless it assumes greater propo tions, tend materially to reduce rat in Canada.

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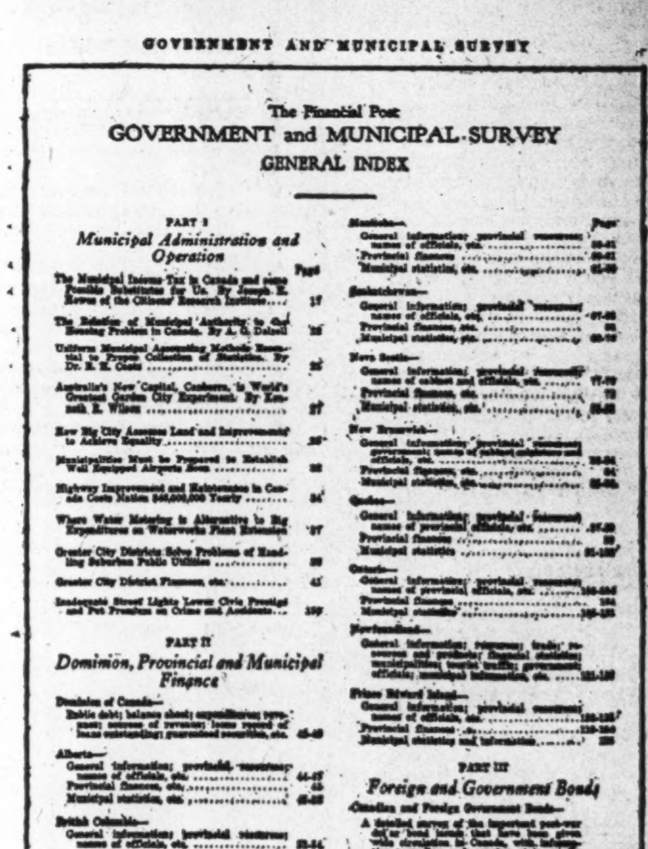

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GENERAL INDEX

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PART II
Dominion, Provincial and Municipal Finance

PART III
Foreign and Government Bonds

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NEW OFFICE FOR GAS CO. IN TORONTO

Modern Building of Probably Twenty Storey to be Erected

NO NEW FINANCING

Consumers is Planning Extensive Additions to its Distributing System in Suburbs

Consumers' Gas Co., Toronto, will build a modern office building of probably twenty storeys at Adelaide and Toronto streets within the next year or eighteen months.

There will be no new financing in connection with the construction, according to the best information available. The company has in its reserve fund a total of $5,496,062 which it acquired by way of premium on stock sold. Toronto civic authorities attempted to have this fund used for reducing the price of gas but the Privy Council in England decided that the money was properly not to be used for that purpose.

Making Extensions

The company at present is planning extensive additions to its distributing system in the suburbs of Toronto. The towns of Leaside, Mimico and New Toronto recently passed by-laws granting franchise rights to the gas company and construction of mains will begin immediately. Users in those places will get gas at the same prices as obtain in Toronto itself.

Some further extensions also are planned for the not distant future.

The gas company is in position to supply a much larger volume of gas over a larger area without the expenditure of any further capital sums for production of the fluid. For the last fifteen years—since before the war—all mains laid from the storage tanks have been of the size and type to accommodate any conceivable demand for gas for domestic or industrial purposes. For instance, a 24-inch main was built toward the northwest section of Toronto in 1913 with the ultimate view of serving Mimico and New Toronto. The war delayed this expansion.

To Serve North Toronto

It is interesting to note that a 24-inch main will be built to Leaside—not because the demands of Leaside justify the expenditure, but because the new bridge over the Leaside ravine gives the company a new way of approach to the rapidly growing northern section of the city itself.

With the acquisition of the buildings of the National Life Assurance and Canada Landed & Investment, Consumers' Gas now owns valuable frontages on both Toronto and Adelaide Sts. The tentative plans for the new office building would embrace 100 feet on Toronto Street and the 135 feet on Adelaide Street. The existing older building of the company, facing Toronto Street, would not be disturbed and would afford the company office facilities while the new building was under construction. The company would continue to use the old building.

Cramped for Space

The company has been cramped for office space and for its rapidly expanding retail and research departments for a number of years. Negotiations for the purchase of additional property have been carried on for many months. The sale of the Canada Landed to the Canada Permanent helped the plans of the gas company to develop the site. The exact height and character of the building have not been determined. It is probable that there will be some room in the new building for tenants on year to year leases in order that the gas company may take over the space as it is required for its own use.

While the gas company has been upheld by the highest tribunal in its contention that the special reserve should not be applied directly to reducing the price of gas, it is worth noting by both investors and consumers that the money, in the last analysis, benefits consumers. The rates for gas are based on costs, including the cost of capital. The capital which now is available for expansion cost the company nothing—it having been received as premium on stock sold—therefore the interest is not a charge against the cost of gas. The use to which this capital is put will be productive and thus tend to reduce the cost of gas.

No New Financing

It easily can be argued that the refusal of the courts to order the special reserve to be applied to reduce the price of gas, benefits the shareholders least of all. If the company were not able to use its surplus funds, thus acquired, for expansion of services and for other company purposes, an early increase in the capitalization might reasonably be looked for. At present, a new stock issue is not expected, so that shareholders cannot soon expect stock rights which would add materially to the income received from Consumers' Gas.

Consumers' Gas is limited to a dividend of 10 per cent. The price of gas is automatically reduced when the special surplus account reaches a certain figure in relation to total consumption. The figure at present would be about $300,000. There was $89,000 in the special surplus at the close of the fiscal year 1927. The company is authorized by the act of 1887 to maintain a reserve fund of $1,000,000. Hence its total reserves stand at $6,496,062. The total assets are $20,739,203. The capitalization is $12,000,000.

3,277 of Staff Buy Inter: Paper Stock

From Our Own Correspondent

MONTREAL. — Under the employees, preferred stock offerings made at the close of 1927 by the International Paper Company and its subsidiaries, 3,277 employees of the company subscribed for $1,084,000 of the 7 per cent. preferred shares. This compares with 2,677 subscribers to $848,800 of preferred stock under the 1926 offering, and 2,001 subscribers to $718,900 of par value stock in the 1925 offering.

CONDUCT OF POOL AFFECTED SHARES OF CANADIAN CAR

Settlement of War Claims is Not Likely Just Yet

From Our Own Correspondent

MONTREAL.—It is now understood that the recent ups and downs in the common shares of the Canadian Car and Foundry Company have been due and due solely, to the operations of a pool in the stock. When the stock was advancing, the current gossip indicated that Canadian Car and Foundry would shortly receive $3,000,000 in cash for its war reparation claims. The latest information indicates that payment of this claim is still a long way off and that the common shareholders would be unwise to anticipate any early settlement which would lead to a decided appreciation in the value of the stock.

In the meantime, the company is endeavoring steadily to widen its field of operations and it is understood that production this year will include frames for the new Chevrolet cars. The announcement of the new car by the General Motors Company should bring more business to Canadian Car. This has been summed up already in the remarks of the president in the annual report which indicated that there would be an increasing demand for the company's products this year.

MONTREAL TRUST WOULD PURCHASE PRUDENTIAL TRUST

Quebec Shareholders Committee is Against Accepting Such Proposal

OPEN LETTER IS SENT

$55 Per Share for Paid Up and $25 For Rest is Offer

From Our Own Correspondent

MONTREAL.—In the form of an offer from the Montreal Trust Company to purchase the company, the Prudential Trust Company tangle has become even more involved. The Quebec Shareholders Committee sent a telegram to the shareholders advising them not to accept the offer of the Montreal Trust Company, as the committee feels that once they acquire the active direction of the company they can make as good, if not better, arrangements for the shareholders.

The Montreal Trust Company has offered to pay $55 a share for the paid up stock and $25 per share for the stock which is seventy per cent. paid up. The offer, though, from the other trust company is contingent upon at least 3,500 shares being deposited by January 14. The Prudential Trust has 9,619 shares outstanding, of which, 1,357 are fully paid up. The remaining 8,262 shares are seventy per cent. paid up. Thus, the par value of the fully paid stock amounts to $135,700, and the seventy per cent. paid up stock amounts to $578,340.

The Montreal Trust Company proposes to pay $281,185 for the full amount of the outstanding stock. This offer amounts to less than forty cents on the dollar of the money paid in by the shareholders of the Prudential, averaging the fully and partly paid up shares. From this it is said that the Montreal Trust, or the interests for which they are acting, estimate the impairment of the Prudential Trust Company's capital at sixty per cent. of the whole. But, the last annual balance sheet of the trust company shows only a twenty per cent. impairment.

In advising shareholders to turn down the offer, the Quebec Shareholders Protective Committee were actuated by the spread in price which exists between the Montreal Trust offer and the position of the company as shown on its books.

Vesey Boswell, chairman of the Quebec Shareholders Committee, has addressed an open letter to the present president of the Prudential Trust Company in which he asks several questions regarding the offer by the Montreal Trust Company. B. Hal Brown, the present president of the Prudential Trust Company has answered Mr. Boswell's open letter, but has made little attempt to answer his specific questions, which are as follows:

"1. Why did the directors permit the offer to go to the shareholders without recommending its acceptance or rejection?

"2. Are you personally directly or indirectly interested in the offer?

"3. Have the directors deposited, or do they propose to deposit, their shares under the offer, or is there any other understanding with the purchasers respecting same, and if so, give full particulars?

"4. Is it a mere coincidence that the shares must be deposited 48 hours prior to the special shareholders' meeting called for Monday, January 16, to elect 12 additional directors

"5. Is it also a coincidence that the 3,500 shares bid for, and the 1,500 shares presently registered in the names of yourself, wife, son and co-directors would represent effective control of the shareholders' meeting of January 16?

"6. If the directors recommend the shareholders to accept, explain how such action and the fact that the offer indicates an impairment of 60 per cent. of the capital can be reconciled with the last annual statement, signed by wherein the impairment is shown at only 20 per cent?"

DOMINION BRIDGE MAKES NEW ISSUE TO SHAREHOLDERS

Extensions and Improvements to Plant Necessary to Meet Orders

From Our Own Correspondent

MONTREAL.—Both the Dominion Bridge Company and its subsidiary the Dominion Engineering Works are offering new stock to the shareholders on the basis of one share at $50 for every eight shares held. At the current level for both stocks, the rights are worth approximately $2.50 a share.

At the same time, both companies were placed on a $2.60 annual dividend basis through the declaration of a quarterly dividend of 65 cents. Payment for the new stock of both companies will be made in instalments—the last of which will be due on July 15 and the new shares will rank for dividends for the quarter ending July 31 for Bridge and June 30 for Dominion Engineering.

Thus, the Dominion Bridge Company's outstanding capitalization will be increased by 40,625 shares. The increasing business of the company has made it necessary to expend large sums on extensions and improvements to the plant. Further extensions are in view which the management feel should be paid for by the issue of additional stock rather than by current earnings.

The Dominion Engineering Works has also expended large sums for extensions to its plant and these expenditures have been made from earnings. The directors feel that extensions should be paid for by new financing so that earnings may be distributed to the shareholders as conditions warrant.

Following the announcement of the stock dividends, the price of the shares of Dominion Engineering Works immediately jumped eight points, but there was little change in the price of "Bridge" stock following the announcement.

Canada Cement Company Wins Safety Trophy

Announcement has been made that Plant No. 3, Hull, Quebec, and Plant No. 5, at Belleville, Ontario, of the Canada Cement Company, Limited, have each won the Portland Cement Association Trophy for completing the calendar year 1927 without a single lost time accident.

This is the fourth successive year that at least one Canada Cement plant has had a perfect record.

Raw rubber imported for the twelve months period ending November 30th reached a value of $22,428,125 as compared with $27,706,685 for the corresponding previous year.

Enquiries have been received by the Department of Agriculture, from an importing firm in Kobe, Japan, for quotation on shipments of large quantities of Alberta wool.

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Has he a "solvent" estate — is there a commercial protection policy on his life as well as fire insurance on the stock you have sold him?

Your important customers should carry life insurance to make your position secure. If you would like to discuss this important matter with us, we will gladly advance some valuable suggestions.

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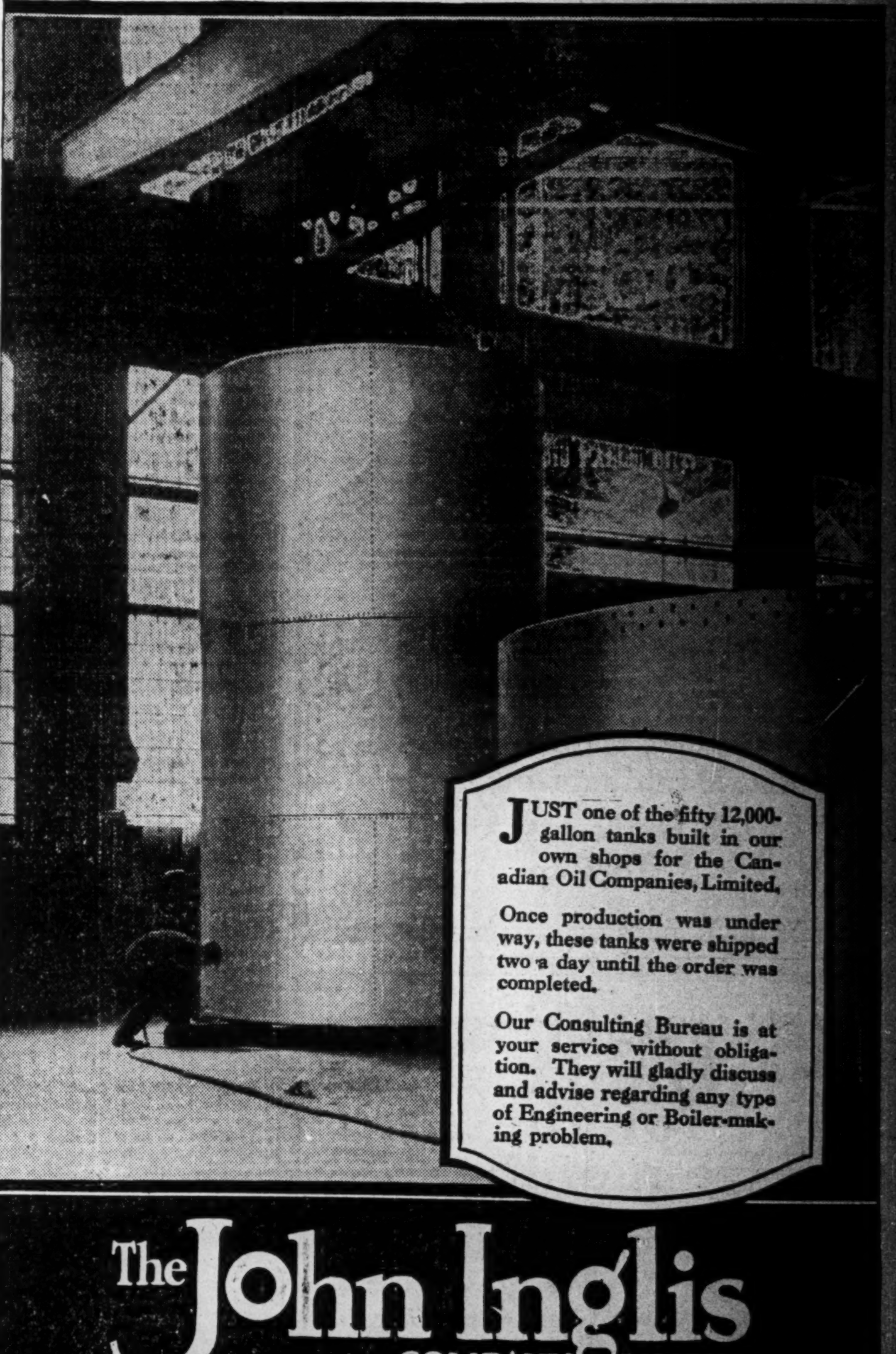

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LONDON, ENG., OFFICE No. 6 Austin Friars
Head Office: 26 King Street East
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CANADIAN GENERAL HAS GOOD PROFITS OVER 1927 PERIOD

Earnings From Interest and Dividends on Securities Were $88,295

EXCEPTIONAL PROFIT

After Providing for All Expenses Incurred, Net Profit Shown is $268,702

Operations of the Canadian General Investment Trust, Ltd., for the calendar year 1927 were exceptionally prosperous, judging by the interim report prepared by the management and now being distributed to the shareholders.

During the year earnings from interest and dividends on securities held amounted to $88,295. Earnings from realized profits on securities which were sold amounted to $202,694, and, after providing for all expenses incurred, there was a net operating profit of $268,702. From this a dividend on July 1 of 3 per cent., and a dividend payable as of January 1 for the last half of the year, likewise of 3 per cent., making a total disbursement of 6 per cent., were declared, requiring $69,691, and leaving a balance forward of $199,010. From this an appropriation of $50,000 was written off organization expenses, leaving a balance forward to the credit of profit and loss account of $149,010. In addition the value of securities now held at present market prices as compared with their purchase price represents a profit of about $140,000.

The Trust was organized in January last year, and commenced business shortly thereafter. A limited amount of capital was at the disposal of the management in the first half of the year, but it was not until the last few months that substantial accumulations of capital were available to provide a large investment account. The average capital employed throughout the year was $1,233,733. The subscribed capital at present amounts to approximately $7,000,000.

Assets Shown

Among the assets shown on the balance sheet as at the end of 1927 was investments and accrued interest and dividends thereon totalling $6,394,578. The actual market value at that time was $6,470,000. Call loans are shown at $150,525, and securities sold for settlement $40,969. Deferred charges, less the amount written off for underwriting expenses, are shown at $282,267.

The share capital is shown among liabilities as $7,049,500, of which $2,857,098 remains unpaid. Bank loans and accrued interest total $953,093, and other loans and accrued interest $687,720. Securities bought for settlement total $824,327, while the profit and loss account stands at $149,010.

The list of securities held by the Trust is of more than ordinary interest in view of the newness of this class of investment organization in this country. The major portion of the General Investment Trust funds are placed in bonds and senior securities, as shown in the following table:

Bonds	45%
Preferred stocks	20.5%
Bank and trust companies	2%
Railway and public utilities	11.5%
Oils	6.5%
Other investments, including industrial common shares	14.5%
	100.0%

Sixty-seven different bond issues are held by the Trust. Practically all are of companies located and operating in Canada. The same situation exists in regard to preferred share holdings, of which 41 are listed in the report. Nine bank and trust stocks and 23 railway and public utility stocks are held. Here the interest is largely in American companies. Industrial and oil common stocks held number 49, divided equally between Canadian and American concerns.

PRESSED METALS SHOULD DO WELL DURING THIS YEAR

Company is able to Meet Competitive Prices at Profit

Revival of the automobile industry since publication of the Henry Ford vehicular secrets has been of assistance to Pressed Metals, which supplies a number of other automobile manufacturers with bearings and bushings. From the present outlook, the company will do a good volume of business at a fair profit in the next year.

In the main, prices continue to show a tendency to drop. The company might have been faced with the necessity of operating without a profit if new and more economical methods had not been developed. As a result of a device which produces bushings in a manner in which these never have been produced before, the company is able to meet competitive prices while operating at a profit.

The common stock of the company sometimes is suggested as one with speculative possibilities, although its more conservative sponsors do not fail to point out that the company possesses but one product in time of peace and that there are constant changes in automobile production which may at some time or another compel the company to seek a new market. In war time, the bushing material which has been such a pronounced success, was developed for shrapnel.

St. Catherine Improvement Exceeds Estimated Profits

From Our Own Correspondent

MONTREAL.—The St. Catherine Improvement Company, which offered bonds to the public early in 1927, has been doing a satisfactory business and profits have been at a level a little better than estimated. Recently, the company redeemed an amount of bonds in excess of the sum called for under the sinking fund clauses covering the bond issue. The company operates a building on St. Catherine Street, Montreal, which is largely occupied by automobile show rooms.

Without Reorganization Success is Improbable for Brooks Steam Bus

With Money Paid by Brooks, Engineers at Stratford Hope to Solve Only Mechanical Problem Hindering Machine Becoming Commercial Proposition

The steam bus of Brooks Steam Motors is a possible commercial success, but it is considered exceedingly improbable by some in position to know that the company can be made a profitable concern without reorganization and refinancing which would reduce still further the exceedingly narrow equity of the 10,000 shareholders in the company.

By the settlement of the various suits between dissenting shareholders and the company and O. J. Brooks, the latter is to pay $50,000 forthwith, $50,000 in four months and a further $50,000 at the end of six months. With this money, after legal costs are subtracted, it is hoped that the engineers at Stratford will be able to solve the one mechanical problem which alone is said to stand between the success and failure of the bus as a commercial proposition.

The great advantage of a steam-driven bus is that the sliding-gear transmission, an expensive adjunct and recurrent source of trouble on the gasoline bus, would be eliminated. The experimental chassis which has been built is said to be an advance on any steam car so far devised.

G. T. Clarkson, who was directed by Mr. Justice Middleton to investigate the affairs of the company, is acting as chairman of the board. The dissenting shareholders are represented by D. McCall White and H. A. Oswald and O. J. Brooks is represented by himself and E. R. Penhall.

Mr. Brooks and Brooks Securities are not to sell any of the preferred stock they hold until Mr. Clarkson has said that the bus is commercially feasible. Mr. Clarkson is to vote all the common stock formerly voted by O. J. Brooks.

A general meeting of the company will be held in Toronto early next month.

O. J. Brooks, of Brooks Steam Motors fame, is reported to be in Akron, O., where he is endeavoring to interest local capital in forming an industrial lending company.

Brooks was the organizer of second-mortgage companies in Toronto, Hamilton, Kitchener, and Windsor, but is no longer connected with any of these.

Phenomenal Advance Made in Stock Values

"Average Active Trader" on Toronto-Montreal Exchanges, if Following Leading Securities, Would Have Increased Original Investment Six-fold

A comparison between the index numbers of best selling stocks in Canada and the United States for the period 1925 to 1927 inclusive from the point of view of active traders' gains is very much in Canada's favor.

Taking January, 1925, as 100, the Canadian index for the last week of December, 1927, was 590.0, while that for the United States was 346.0. The Canadian index, therefore, rose 244 points more than the United States over the same period.

This index is worked out on the basis that the average trade buys and sells the leading common stocks in the same proportion as they are traded in by the whole market. Furthermore, he turns over his capital once every week, that is, he sells at the average prices of one week the leading stocks which he has bought at the average prices of the previous week and he reinvests the proceeds in stocks which will become the leaders of the following week at the average prices of the current week.

Increased Investment Sixfold

An average active trader operating on the Montreal and Toronto stock exchanges and working in harmony with the conditions mentioned, would have increased his original investment nearly six-fold since January, 1925. This high percentage of increase is comprehensible in view of the rise of a few stocks which have dominated the Canadian exchange since January, 1925. These, though subject to fluctuations, climbed to levels two, three and four or more times that of January, 1925. Some of the most important of them are shown in the accompanying table:

	Average price January 1925	Approximate average price December 1927	Inc. Times
Consolidated Smelters	56.2	265.0	4.7
Dominion Bridge	80.8	72.0	
		360.0 old basis	4.4
Brazilian	55.8	220.0	3.9
Quebec Power	87.0	80.0	
		320.0 old basis	3.7
International Nickel	27.0	80.0	2.9
Canada Cement	92.2	241.7	2.6
Shawinigan	134.0	87.0	
		348.0 old basis	2.6
Winnipeg Electric	40.0	98.0	2.4
Steel of Canada	84.1	182.3	2.2
Industrial Alcohol	19.2	41.5	2.1
Montreal Power	162.0	90.3	
		270.9 old basis plus 1 pf. share 320.9	2.0

With such rising values as those listed above to work on, it is obvious that the active trader who operated in sympathy with the general market trend would, by taking advantage of market advances and recessions, increase his original outlay by more than the absolute increase in average prices between January, 1925, and December, 1927. On the basis of a weekly turnover and assuming trading in the same proportion as the total market, the increase in capital would have been nearly six-fold.

General Increase 233 Per Cent.

In contrast to market activity of the kind just described there is that of investment activity. In this case one deals with the person who buys a fixed list of stocks on one date and holds them over a period of months or years. The Dominion Bureau of Statistics' index number of 31 industrial common stocks on the basis, January, 1925, equal 100, was approximately 235 in December, 1927.

This means that if an investor had purchased in January, 1925, the 31 industrial stocks included in it, in the same proportion as the total number of each stock outstanding, and had held them until December, 1927, he would have increased his original outlay 2 1/3 times without making any allowance for dividends.

PHOTO ENGRAVERS ADVANCE STEADILY SINCE NOVEMBER

Shares Are Selling on Toronto Exchange at Over 39

Considerable interest has been aroused in the stock of Photo Engravers and Electrotypers, which is selling on the Toronto Exchange at over 39.

This stock was put on the market about the middle of November and sold to the public at $29 a share. Since then there has been a steady upward swing with few recessions.

While the company is known to be experiencing a good volume of business with a commensurate increase in profit, the prevailing price is undoubtedly high under present conditions.

It is said on good authority, however, that the management has about decided to instal complete rotogravure equipment and further that it will extend its operations to Montreal and other large Canadian printing centres.

The addition of the rotogravure equipment alone would mean a considerable increase in revenue and would justify the present levels of the stock. Photo Engravers at present is one of the largest producers in Canada of photo engravings, electrotypes, photostats, commercial photography and commercial art work of all kinds. Its customers number about 1,200, including, besides newspapers and periodical publications, some of the largest merchandising, manufacturing and industrial concerns in the country.

The latest report of the company shows that net earnings for the four years ended February 28, 1927, averaged $90,551 yearly, or in excess of $3 on each of the outstanding shares. An even better showing was made in the half year ended August 31 last, when net earnings totalled $67,383, or better than $4 a share.

With the addition of the rotogravure equipment and opening up of new markets, earnings of the company should show a big improvement over those recorded in the past few years.

Drummond Street Realty Makes Good Progress

From Our Own Correspondent

MONTREAL.—The Drummond Street Realty Company, operating the LaSalle Apartment Hotel, has made satisfactory progress since its bonds with a bonus of common stock were first offered to the public early in 1927. The results have been such that the company has acquired adjoining property on which it is intended eventually to erect an extension to the hotel which will double its capacity. Profits are running well in line with the estimated figures made at the time the bonds were offered.

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CHRISTIE REACHES NEW HIGH RECORD IN COMMON STOCK

Something Interesting is Planned for Shareholders But is Kept Dark

Common stock of Christie, Brown & Co. achieved new high records in the last two weeks, selling at 112 and fluctuating between that and six points below.

Something of interest to shareholders is planned but the directors are keeping it a secret. From reliable sources, however, it has been learned that sale of the company is not contemplated.

Interests closely identified with this company are strong believers in a capital structure which leaves the company simply with no par value common stock outstanding and without bonds or preferred stock. This may give a clue as to what is coming.

Redemption of Preferred

Christie, Brown recently gave notice of redemption of its preferred stock and the notice was sufficient to cause the remaining holders to convert on the basis of one preferred for three common. And the company continued to retire its bonds. The total outstanding now is $300,000.

It is pointed out that the issue of a moderate amount of additional common stock to shareholders under attractive terms would give the company sufficient to retire its remaining outstanding bonds and possibly to provide further working capital. Some expansion of warehouse and sales facilities in other cities may be planned, as well as the purchase of additional equipment for the factory in Toronto but it is recalled that, with the use of modern labor-saving machinery, there is ample floor space at the factory for any expansion which may take place in volume of output.

At June 30 last the ratio of current assets to current liabilities stood at about 4½ to 1. Of the total of $705,000 of current assets, $68,125 was in cash, $362,000 in bills receivable and $275,000 in inventory. The report for the year ended December 31 will show an even better position.

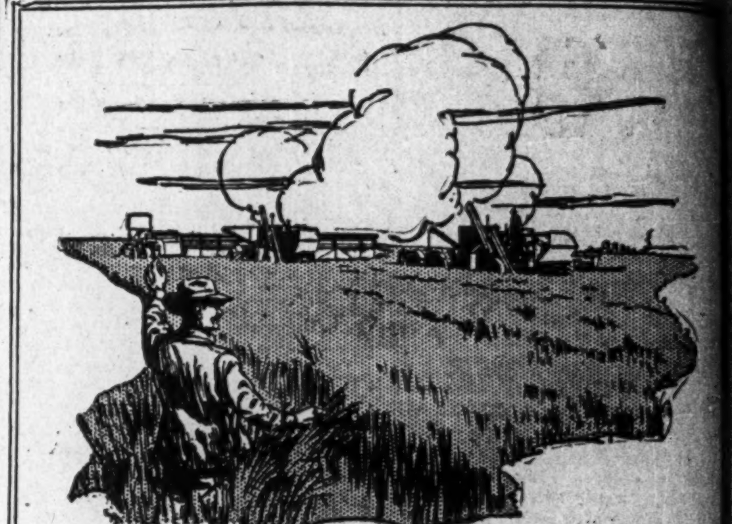
Position is Excellent

While the company's liquid position is excellent, it will be noted that the greater part of its cash in the last two years has gone to retire bonds, the original issue having been for $1,000,000. It may be thought desirable, although not essential, for the company to procure, through the issue of further stock, a larger sum than is necessary to retire the remaining bonds, if that is the plan which has resulted in sending the stock above 100.

Earnings for 1927 are known to be 50 per cent. in excess of earnings for 1926. Total profits then were $292,449 before bond interest, taxes and dividends on preferred stock. In the last year bond interest was materially less, and there were increasing conversions of preferred stock before the redemption notice, so that there will be a considerably larger proportion of the earnings available for dividends on the common stock and for surplus.

VIAU BISCUIT

MONTREAL.—Reports on Viau Biscuit Corporation operations are to the effect that November net earnings were the highest in the history of the company and for the full year the statement will be a satisfactory one.



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NATIONAL CITY BANK BREAKS ALL RECORD

Aggregate Resources Unapproached in Annals of U.S. Banking

Aggregate resources of National City Bank of New York, recording an increase during the year of $288,412,960, reached a total on December 31, 1927, of $1,682,802,851, a figure never previously approached in the annals of American banking. Gross deposits, Chas. E. Mitchell, president of the bank, told the shareholders at their annual meeting to-day, amounted on that date to $1,275,041,964, an increase of $191,442,804.

The year's gains further strengthen the position of leadership enjoyed by The National City Bank, its aggregate resources being more than half as large again as those of any other American banking institution. Its deposits alone show a margin of more than $250,000,000 over the total resources of any other bank in the country.

The increase in the bank's resources, made in the normal course of business without benefit of consolidation, was the largest for any year of its history. Profits of the bank after reserves for taxes, death benefits and management funds, amounted to $18,473,148, or nearly $3,000,000 in excess of profits for 1926. Capital, surplus and undivided profits now stand at $146,176,246, a record total.

NOT ANY SIGN OF RECESSION

MONTREAL.—At the annual meeting of the shareholders of the Dominion Bridge Company, G. H. Duggan, the president, declared: "There is not yet any sign of recession in our industry, and new business continues to be booked at a satisfactory rate."

Proxies for 217,754, representing per cent. of the shares, were voted at the meeting.

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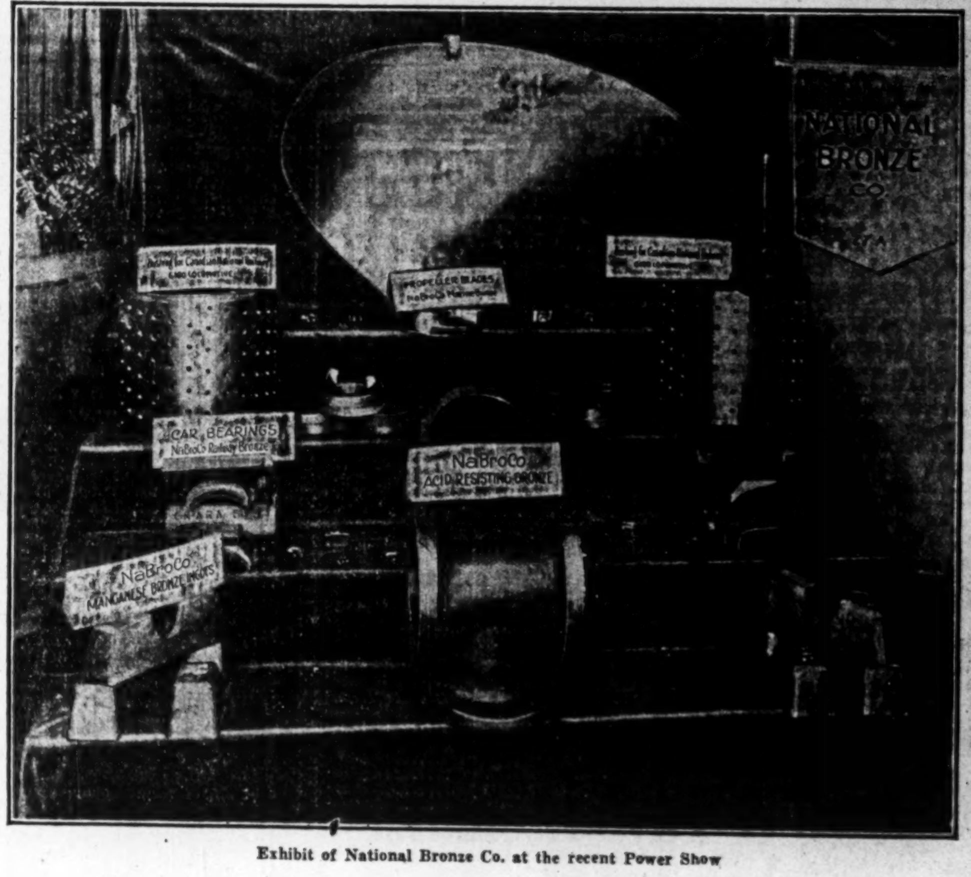

Exhibit of National Bronze Co. at the recent Power Show

Scientific Control is Your Best Guarantee of Satisfaction

THE above display represents some of the specialties of the National Bronze Company Ltd.'s NaBroCo Bronzes. The large propellor blade at the top of the exhibit weighs about 500 lbs. and is made of **NaBroCo Marine Bronze.** Numbers of ships' propellors are made of varying shapes and sizes.

The large bearings beneath the propellor are the bearings for the new 6100 engines of the **Canadian National Railways.** These bearings bear the main weight of the engine, and have the variable conditions of high speed and heavy pressure, which conditions are met satisfactorily by them.

Below to right and left are samples of car bearings made for the Canadian National Railways, and in the center an example of NaBroCo **Acid Resisting Bronze** as used in **pulp and paper mills.** There is a growing demand for "Acid Resisting Bronze That Really Resists." Such a bronze would only give continued satisfaction if made under strictly scientific conditions with the various factors carefully controlled.

National Bronze Company Limited operates under **strictly scientific control,** the temperature of every pot of metal being taken, analyses made to check the composition, and metallographic investigations to further control the interior structure of the metal.

The fact that in three years business has grown from 100,000 lbs. to **3,000,000 lbs.** a year is the best evidence that could be offered of satisfied customers.

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145 Mill Street Montreal

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G. S. HOLMESTED
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Without placing me under any obligation whatever, send me copy of your booklet, "Through the Doorway of Honesty."

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Address ....
....

News of Investment Markets

BOND MARKETS SHOW STRENGTH IN ALL GRADES

Corporation Issues Attract Attention and Prices Advance

LARGE REINVESTMENT

Placing Investment Income Causes Buying in Seasoned Bonds Owing to Scarcity of New Issues

The market for bonds continued active during the week. Offerings, however, were rather limited in volume and diversity, supplies in dealers' hands either being limited or there was little inclination to trade.

A few of the foreign issues came in for attention, notably Chile 6's of 1960, which were bid at 92⅝. Corporation bonds were generally active—Duke Price 6's, Bell Telephone 5's, Northern Ontario Light and Power 6's and Canada Steamship 6's of 1941, were all up fractionally. Montreal Tram 5's of 1955 slipped off ½. Rio Tram 5's and Canada Steamship, 1943, were lower by ¼ and ⅝ respectively.

Trading in the provincial and municipal lists was well sustained. Owing to the fact that municipalities all over the Dominion are changing their officers, no new financing has occurred since the beginning of the current year. One or two tenders have been asked but these have not been awarded.

At the same time there has been a paucity of new corporation bond issues. Those publicly offered in the latter half of 1927 have been well distributed and comparatively few have come back on the market.

There are a number of new issues on tap, but it will be a week or more, probably the end of the month, before the public offering will be made. No doubt the reception to be accorded the new securities will be of the best and offerings quickly sold.

Meanwhile the amount of money available for reinvestment appears to be increasing rather than decreasing. An estimate prepared by The Financial Post shows that for all of 1927 over $427,000,000 was distributed by Canadian companies in bond interest and stock dividends.

Not all of this was distributed within the Dominion, of course, as nearly half of the Canadian stocks and bonds are held in the United States, the United Kingdom or other countries. Allowing of an equal distribution Canadians received from their investments last year about $210,000,000.

During the present month, it is further estimated that about $46,000,000 will be distributed, of which $25,000,000 or so will remain in the country. So far, new financing has been considerably less than that sum. Reinvestment, therefore, has had to be done in issues already on the market, which has resulted in active trading in all well-known and seasoned bonds.

BRADING BREWERIES IS OVERSUBSCRIBED

50c. Per Share Dividend is Declared to Shareholders

From Our Own Correspondent

MONTREAL. — The offering of 5,000 common shares of the Brading Breweries made this week by Johnston and Ward was largely oversubscribed. The stock of the company was first sold to the public earlier in the year. Application will be made to have the common stock of the company listed on the Toronto and Montreal stock exchanges. The present offering of 5,000 shares of stock does not represent new financing. The expansion program now under way at the plant in Ottawa will be financed through the sale of the 61,000 preferred shares still held in the treasury. A 50c. per share dividend, payable January 15, has been declared to the shareholders and the management anticipates that the stock will pay regular $2 per share dividends during the present year.

The particulars of the issue follow:

5,000 Shares The Brading Breweries, Limited

Capitalization:

	Authorized	Issued
7% preferred	$100,000	$39,000
No par value common	25,000 shs.	21,210 shs.

The company has no mortgages or bonds.

Business: The products are well and favorably known in Ontario and Quebec, particularly in the Ottawa-Hull area where the plant is located. Its brands are now in 50 government stores and in 55 brewery warehouses in Ontario.

Property: Plant appraised at $322,153. Net liquid assets at November 30 were $103,628.

Earnings: For the six months period ending November 30, after all charges, were $46,880. Earnings during the current year are estimated at not less than $100,000, or equal to nearly $5 per share on the outstanding common stock.

Expansion: Capacity being increased now from 150 to 200 barrels daily. The company has done practically a capacity business since government control came into effect in Ontario.

Offered: January, 1928, by Johnston and Ward at $28 a share.

Canadian Electric Diners Preferred Stock Offered

Toronto and other Ontario cities will soon be plentifully supplied by a modern edition of the old "owl" lunch wagon, the provincial rights to which have been secured by the Canadian Electric Diners, Ltd., which is offering through Cordingly, Pike & Co., $30,000 of its 7 per cent. cumulative preferred stock at par with a bonus of one share of no par common stock.

This company has the exclusive right to operate and sell in the province the well-known Ward standard steel dining car. Equipment is modern in every respect, including electric refrigeration, cooking and heating. Seating is provided for eighteen people.

A central commisary is operated by the company where all the heavy cooking and baking will be done.

These diners are being operated successfully in the principal cities of the United States and the company plans to locate them in various sections of Ontario. Three are already installed in Toronto.

Bond Notices

Sealed tenders of the 5 per cent. first mortgage, 20-year, sinking fund gold bonds of the Canadian Northern Coal and Ore Dock Co., are being called by the American Exchange Irving Trust Co., New York City, for account of the sinking fund in amount sufficient to exhaust the sum of $50,162.

Bond Redemptions

	Rate	Due	Redeem.	Price
Shawinigan "D"	5½%	1954	Apr. 1	105
Do. "E"	5%	1955	Apr. 1	105
Pt. Alf. Pulp B	6½%	1943	Apr. 1	104¼
Nat. Breweries	6%	1939	July 1	105
Ottawa Gas	6%	1930	Mar. 1	103
Canada Cement (Old company)	6%	....	Mar. 31	110
Ottawa L. H. & P. "A"	6%	....	Mar. 1	105

RELIANCE GRAIN TO OFFER BONDS

Company is Outcome of Merger of Three Western Companies

From Our Own Correspondent

MONTREAL.—Bonds of the Reliance Grain Company will shortly be offered by Nesbitt, Thomson & Co. The company is the outcome of a merger of three prominent western grain companies.

It is understood that the preferred shares of the new merger company have practically all been taken up by those formerly interested in the component companies in the merger.

The capitalization of the company is as follows:

Six per cent. first mortgage and collateral trust bonds, authorized $5,000,000, to be issued $2,000,000 (Series "A"); 6½ per cent. cumulative preferred stock, authorized $3,000,000, to be issued $2,000,000; common stock of no par value, authorized 100,000 shares, to be issued 100,000.

The storing, cleaning and shipping of grain is a vital service in the marketing of Western Canada's grain crop. The companies entering into the formation of Reliance Grain are engaged in these activities. They are equipped to cover the entire service of handling grain from farm to seaboard. They have been closely associated and have been operated under the same general management for several years. The companies entering into the consolidation are: Reliance Terminal Elevator Company, Limited; Smith Murphy Co., Limited; and Province Elevator Company, Limited.

Earnings of the company over a period of years are shown to have been at the rate of 3½ times preferred dividend requirements after providing for bond interest.

OUTPUT IS TAKEN OF CITIES HEATING

This Company is Experiencing Heavy Demands for Steam

In connection with the amalgamation of the Greene, Swift Heating Co. and the Helena Power Co., of London, Ont., under the name of the Cities Heating Co., Ltd., it is understood that practically all the output of the new company is now absorbed and that the company is experiencing a heavy demand for steam for heating purposes.

A private offering of the securities of this company will be made by Midland Securities, Ltd., during this week. The form of financing consists of first mortgage bonds carrying a bonus of common stock which will enable the investor to participate in the success of the company through common stock ownership.

Particulars of the issue follow:

$125,000
Cities Heating Co., Ltd.
20-year 1st Mortgage 6% Sinking Fund Bonds

Dated January 1, 1928. Due January 1, 1948.

Company — Has purchased and acquired assets of Helena Power Co., and the heating and power plant of the Greene Swift Co., Ltd., both of London, Ont.

Business—Company will continue production and sale of steam heat for heating and power purposes.

Assets—Fixed and current assets exceed $251,000, or more than twice the amount of this bond issue.

Earnings—Are estimated at $24,000 for the first year, which is 3.20 times interest requirements on this bond issue.

Sinking Fund—Semi-annual sinking fund to commence July 1, 1928, sufficient to retire entire issue by maturity.

Security—Will be secured by a first and specific mortgage on all real and immovable property of the company and by a floating charge on all other assets.

Offer—Midland Securities, Ltd., London, at $100 and accrued interest with a bonus of two shares of common stock with each $1,000 bond.

Active Demand for Space in New Bay Street Building

Rapid progress is being made in renting office space in the new 372 Bay Street Building, the public financing of which was announced a short time ago.

Practically all of the ground floor has been leased for twenty-one years to the Canadian Bank of Commerce. A similar contract for the second floor has been made with the Sterling Trust Co. A firm of lawyers also has taken all of the top floor on a long term lease.

Additional space has been rented to others, such as the Strong Drug Co., which has taken that portion of the ground floor not taken up by the Canadian Bank of Commerce.

Charles E. Abbs, Chairman of International Bankers

Charles E. Abbs, of A. E. Ames & Co., has been chosen chairman of the Canadian group of International Bankers' Association of America, for the 1927-28 season. Other officers of this group are E. Gerald Hanson, of Hanson Bros., vice-chairman, and A. W. McLennan, of R. A. Daly & Co., secretary-treasurer. The executive committee, in addition to those mentioned, include James A. Eccles, Harris, Forbes & Co.; J. H. Gundy, Wood, Gundy & Co.; Howard Murray, Aldred & Co., Ltd.; J. A. Fraser, Dominion Securities Corp., and Russell D. Bell, Greenshields & Co.

Tenders and By-laws

Jan. 16, City of Hull, P.Q.—$156,000, five per cent., twenty-year debentures. H. Boulay, city clerk.

Jan. 16, School Commission of Grand'Mère, P.Q.—$36,000,000, five per cent., serial bonds. A. Desilets, sec.-treas.

Feb. 6, Municipality of Ste. Therese de Blainville, P.Q.—$17,500, five per cent., serial debentures. A. Forget, sec.-treas.

Jan. 21, R. M. of Dauphin.—$43,000, six per cent., 20-year bonds. J. A. Gorley, sec.-treas.

BLDG. PRODUCTS GAIN PER SHARE MAY BE OVER $3

Current Profits Are Said to be in Excess of Earlier Estimates

Building Products, Ltd., is expected to show in the annual report for 1927, earnings of approximately $3.50 the share on the common stock. Reports for previous years have not been published, but the estimate for 1927 published recently when the common was offered the public, was $249,000 on the 110,000 shares to be outstanding. This estimate was unduly conservative, it is said. The actual figures will be somewhere near $400,000, it is asserted on good authority.

The company has been making substantial progress and a happy career is being predicted for the common stock.

The company is a consolidation of two concerns which formerly had been Canadian branches of parent concerns in the United States. The early years of their divorce from paternal supervision were not successful in large degree, but the amalgamation brought good results.

In 1927, the company acquired the patent roofing business of the Beaver Co., Ltd., and now operates four plants in Ontario and Quebec. With building construction in Canada at a high peak and with the outlook for the country excellent, it is calculated that this company, manufacturing all kinds of patent roofing and other building supplies, will benefit greatly.

ZIMMERKNIT DEAL MEANS BOND ISSUE

Expected Also Balance of Company's Preferred Will be Sold

Financing of the deal whereby Zimmerknit, Ltd., of Hamilton, takes over Harvey Knitting Co., of Woodstock, will take the form of an issue of about $750,000 6 per cent., first mortgage bonds and the issuance of the balance of the preferred shares of Zimmerknit, amounting to about $400,000.

This brings to a head a consolidation which has been talked of for some time, although on a smaller scale than that originally proposed. Early last summer interests behind Zimmerknit approached Harvey Knitting Co., as well as one or two other concerns, with a view to forming a combination which would rank in importance, as far as the trade is concerned, with that of Penman's.

Self-Protection

The plea was put forward at the time that in the interests of self-protection it was necessary for the independent knit goods company to consolidate in order to overcome competition from foreign producers in the domestic market. The advantages of consolidation as set forth then made it apparent that the companies mentioned could increase materially their sales and secure a larger profit.

The inducements offered to the knit goods companies did not appeal to all and negotiations never passed the preliminary stages.

The matter was dropped for the time being, but later on, Zimmerknit made overtures to Harvey Knitting Co., which apparently have been accepted. The resources of the latter company are not known, as it has been financed privately, but judging by the amount of new financing to be undertaken by Zimmerknit the deal will involve close on to a million dollars.

Capital Set-up

At present, the capital set-up of Zimmerknit includes $1,000,000 7 per cent. cumulative redeemable preference shares and 50,000 shares of no par common stock, of which $600,000 and 25,000 shares, respectively, are outstanding. A bonus of one-half share of common was given with each $100 of preferred when offered to the public last summer. The common is now selling at around $24 a share.

It is understood that the new bonds will be placed on the market at 99. The offering of the preferred will probably be accompanied by a bonus of common along the same lines as the original offering, although no definite information is available on this source.

STAVELY BONDS PUT ON MARKET

Proceeds Will be Used to Construct Toronto Apartment

A small issue of $90,000, 6½ per cent. first mortgage serial bonds of the Stavely Apartments, Toronto, is being placed on the market by the United Bond Co.

The building is located on suitable property on the west side of Broadview Avenue, near Danforth. The building itself is one of 3 stories and half basement, containing 48 apartments. All modern improvements are included, such as electric refrigeration, radio aerial with connection in each living room, etc.

Particulars of the issue follow.

$90,000
Stavely Apartments
6½% 1st First Mortgage Serial Bonds

Dated August 15, 1927. Serial maturities.

Security—This issue is secured by a direct, closed first mortgage upon land and building thereon. The mortgagors are bonded to the amount of $90,000 to complete the building as planned and specified.

Appraisal—A conservative valuation of the land and building, when the latter shall have been completed, as made by the United Bond Co.'s appraiser, is $150,786.

Earnings—It is estimated that net annual earnings will total $18,800, or over three times greatest annual interest charge on the bond issue.

Insurance—Fire insurance will be maintained to the extent of $90,000, payable to the trustee of these bonds.

Callable—Bonds are callable at 103.

Offer—United Bond Co., at par and accrued interest.

WEEKLY RECORD OF FINANCING IN CANADA

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Stavely Apartments	Jan.	United Bond Co.	6½%	Serial	90,000	100	6½
Cities Heating Co.	Jan.	Midland Securities	6½	1948	125,000	100	6%
		(With bonus of 2 shares of common stock with each $1,000 bond)					
Stock Issues	**Date Issued**						
Harker Gold Mines	Jan.	Company			1,000,000 shs.	50c	
Can. Electric Diners, ...	Jan.	Cordingly, Pike & Co.	7%	Pref.	$34,000	100	7%
		(With bonus of one share of no par common)					
Brading Breweries	Jan.	Johnston & Ward			5,000 shs.	$28	

Paper Merger Reduces Capital Fixed Charge

Other Benefits Will Arise from Consolidation of Laurentide with St. Maurice, Says Sir Herbert Holt

From Our Own Correspondent

MONTREAL.—Announcement of the merger of St. Maurice Valley Corp. and the Laurentide Co. was expected for several days, there having been rumors of negotiations which were not denied officially. The logic of these two merging has been discussed for three years, but apparently the negotiations were not started until very recently.

Sir Herbert Holt's letter to shareholders of St. Maurice Valley sets forth the terms of the offer and advantages of the plan. Sir Herbert says:

At a recent meeting of the board, your directors, after conferring with the directors of Laurentide Company, Ltd., approved a plan for the amalgamation of the common stock interests of your company and of Laurentide Company, Ltd.

The plan involves the exchange of common shares of St. Maurice Valley Corporation for shares of a new company to be incorporated under the name of Canada Power & Paper Corporation or some other suitable name and to be organized upon the following lines:

No-par Value Shares

The new company will be a Quebec corporation, with its head office at Montreal. Its authorized share capital will consist of 750,000 shares without nominal or par value. Shares will be allotted and issued to holders of shares of Laurentide Company, Ltd., on the basis of one share of the new company's stock for each share of Laurentide Co., transferred to the new company. In addition, holders of Laurentide Co. will be entitled to receive upon such transfer $100 principal amount of 5½ per cent. 30-year sinking fund gold debentures of the new company for each share transferred.

Shareholders of St. Maurice Valley Corporation will receive two and one-half shares of the new company's stock for each common share of St. Maurice Valley Corporation transferred to the new company.

Upon the acquisition by the new company of the shares of Laurentide Company, and St. Maurice Valley Corporation proposed to be acquired under this plan the new company will have 688,000 outstanding shares and outstanding debentures aggregating $28,800,000.

This amalgamation will bring under unified control the operations of mills of the St. Maurice Valley Corporation group at Shawinigan Falls, Three Rivers and Windsor Mills, and of Laurentide Company, at Grand'Mere.

Huge Daily Capacity

These mills have a combined daily capacity of more than 1,400 tons of paper products, the capacity of the St. Maurice Valley Corporation group being about 1,000 tons per day and that of Laurentide Company, approximately 400 tons per day. The bringing together of these large mills, situated in close proximity in the valley of the St. Maurice River, with contiguous limits which are peculiarly adapted to efficient and economical operation under one control, is expected to produce substantial economies.

The pulpwood resources available for the operation of all these properties, including the limits in the Ottawa Valley recently acquired by Laurentide-Ottawa Company, Ltd., a wholly-owned subsidiary of Laurentide Company, are estimated to be sufficient to provide for all present requirements and also for future expansion as conditions may warrant. Through Laurentide Company, the new company will control Laurentide Power Company, with an installed capacity of 165,000 horsepower hydro-electric energy at Grand'Mere, on the St. Maurice River.

After mature consideration, your directors are satisfied that this plan is greatly in the interests of the shareholders and unhesitatingly recommend it for your acceptance.

The suggested merger brings up again the question of the Laurentide Power Company. It has long been thought that the Laurentide Company would sell this subsidiary. It is possible, therefore, that Shawinigan may buy the property. Whether or not this transpires, it is interesting to note that Shawinigan has just asked its shareholders to authorize an additional issue of 400,000 shares of common stock which would more than pay for the purchase of Laurentide's 72 per cent. of the equity in its power subsidiary.

On the Ottawa valley such a merger company would be able to obtain abundant power. Neglecting entirely all the present power companies in that region, there are still undeveloped power sites near the city of Ottawa which might ultimately furnish energy for any expansion by the Eddy plant.

The consolidation will reduce fixed charges on Laurentide capital. St. Maurice bonds are 5½ per cent., while Laurentide has been paying 6 per cent. dividend.

FIDELITY TRUST MAY BE MOVED FROM LONDON

Welland Group Propose Re-establishing Company in Niagara Area

A Welland group composed of Louis Blake Duff, former publisher of the Welland Tribune-Telegraph; Dr. Colbeck, D. Ross and W. M. German, K.C., have an option on the Fidelity Trust Co. of London, Ont. They propose to move the trust company to Welland and carry on a trust company business for the counties of Lincoln and Welland.

The group now has in process of organization the Welland County Financial Corp. which will be the holding company and which will do a general financial business. The organizers announce that they will not start with less than $250,000 of capital paid in, in fact this is a condition of the subscriptions. About $150,000 has been subscribed and paid up to the end of 1927 and it was expected that the additional money would be forthcoming within a few weeks.

The proposal, it is said, has met with a good reception in the Niagara district and the organizers believe that it will be carried through. It is stated that lines have been laid down which will ensure careful management.

New Stock Issue Sold on Orange Crush Co.

An issue of preferred or common stock of the Orange Crush Co., will shortly be placed on the market by a Toronto financial house. It is understood that this company, which has been in operation in Ontario for some time, plans to extend its operation and that the new issue will provide the needed capital.

Demand for the stock has been active, the underwriters stating that the total issue has already been sold.

National Life Chief Joins Monarch Mortgage

Fred Sparling, general manager of the National Life Assurance Co., has been added to the board of directors of Monarch Mortgage & Investment Co., a Toronto institution which loans on second mortgage.

The report for 1927 which will be available shortly, will show gross profits, it is expected, of about $40,000, compared with $29,748 in the previous year. The company's paid-up capital will be approximately $300,000, which is an increase from $227,000 at the end of 1926.

The capital stock of the company is being sold under a system which will give the company a gradually increasing amount of capital to be placed on second mortgages. The company has concentrated on the moderate type of single or double dwellings, but in the last year has made a few loans on smaller apartment buildings of approved type.

The bonus of common stock given with the preferred will be reduced when sales of stock are resumed next month, it is announced.

Montreal Tramways Concludes Best Year

From Our Own Correspondent

MONTREAL.—The Montreal Tramways has just concluded the largest year in its history. It can be anticipated probably that profits will reflect the new high record figure of car mileage and passengers carried during 1926.

The total number of passengers carried was 211,789,599 as compared with 207,754,983 in 1926. Car mileage during the year just concluded amounted to 26,101,169 as against 24,934,224 in the preceding year.

New Issue
372 Bay Street
Toronto
6½% First Mortgage Sinking Fund Gold Bonds
(To be issued by Richmond-Bay Company Limited)
Date of issue: December 1, 1927
Maturity: December 1, 1947
Price: 100 and Accrued Interest to yield 6½%
Descriptive circular on request
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LIMITED
INVESTMENT BONDS
180 St. James Street, Montreal

Irish Free State
5% External Gold Bonds
Due November 1, 1960

Principal and interest (May 1 and November 1) payable in United States gold coin in New York City, without deduction for any Irish taxes present or future. Coupon bonds in denominations of $500 and $1,000, registerable as to principal only.

The Irish Free State is an integral part of the British Empire and enjoys the same constitutional status as the Dominion of Canada.

The proceeds of this Loan will be used for the hydro-electric development of the River Shannon, which is expected upon completion to generate sufficient power to meet the requirements of the entire country at low cost, and for other Government purposes. We recommend these bonds for sound investment and upon request will forward a circular giving further particulars of this issue.

Price 97 and interest, to yield about 5.20%
(Subject to prior sale and change in price)

The National City Company
Limited
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10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC
373

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TORONTO, JANUARY 13, 1928

A GOOD MINISTER

THE FINANCIAL POST was one of the first papers in Canada to expose the scandalous state of affairs in the administration of Canada's customs under such ministers as Hon. Jacques Bureau. About a year ago, The Post was exposed to similar serious weaknesses in the collection of the sales tax and showed how arrears were piling up practically without attention by the governments. So remarkable have been the changes at Ottawa since that time that it is a pleasure to call attention to them in a series of special articles, the first of which appears in this issue.

The reorganization of the Department of National Revenue under the very able Hon. W. D. Euler, the minister, is a matter that has given much gratification to Canadian business. Constant vigilance will be necessary if Mr. Euler and his associates are to maintain there high record of good public service. They have set a high standard, and one that will not be easy even for themselves to pursue continuously.

Graft and corruption seem to have been effectively driven out of these important branches of the public service, and in the degree to which they have disappeared direct and tangible benefit has come to every business man in Canada.

Shortly, Parliament will see the report of the Royal Commission that investigated the Customs Department. But of the recommendations of that commission, Mr. Euler will be found to have anticipated practically all that were at all practicable.

NOT THROWN AWAY

LAST year Hon. James Malcolm, Minister of Trade and Commerce, obtained from Parliament a vote of $100,000 to be spent on advertising Canadian products in Great Britain. The money was needed to enable Canada to take full advantage of the splendid offer of the British government to aid in widening the market for our agricultural produce in the British Isles. Under the scheme proposed by the minister the money would very largely be used to encourage direct campaigns by associations of producers who would be expected to put up fifty cents of their own funds for each fifty cents given by the department towards well-planned campaigns of marketing.

Very little of this $100,000 has been spent and no definite campaign of advertising has yet been worked out with any association. For some time, negotiations were carried on with the apple growers in the different sections of Canada and it was expected that a definite campaign of advertising for Canadian apples could be maintained in Britain. But the scheme has not yet materialized. Very important obstacles presented themselves. The apple growers in British Columbia wished to advertise their own apples as such while the best results in the British market could only be achieved by advertising Canadian apples, regardless of their source within this country. Nor was there a proper system of grading Canadian apples applicable to all parts of the country. So no apple campaign was run. Similarly, negotiations with the honey producers have failed as yet to produce a working agreement.

While Mr. Malcolm will have little to report to the House of Commons, when it meets, as to his accomplishments under this publicity scheme, it is to be hoped that he will present for a re-vote the appropriation he obtained a year ago and that the members will see fit to stand behind him once more. The minister is not to be criticized for failure to make this scheme bear fruit in its first year. Rather he is to be congratulated upon declining to spend money on half-baked campaigns. Private business knows that the prime essentials of a successful advertising campaign are to have something to advertise, something of fixed and known quality, and a method of marketing. If in the British market there must be standardization of grades in order that the British buyer may place his orders with confidence, and there must be a steady supply of the produce through regular channels. Establishment of grading and marketing systems cannot be accomplished in a day. It is better to move slowly than to spend governmental funds on publicity that has not a proper background.

The coming year will likely see a real advance in the establishment of proper publicity methods for Canada in Britain. Mr. Malcolm has already taken steps that will improve our position in that respect. He has placed the Dominion Exhibition Board under his jurisdiction, as has been suggested in these columns for over a year. The director of exhibits, J. O. Turcot, has just returned from a tour of inspection of the British situation and no doubt has been able to make constructive suggestions as Canadian produce is to be advanced to the display of Canadian products at various fairs in the Old Country. The Financial Post has continuously criticized the government for having refused to co-operate with the Empire Marketing Board in their displays of British Empire products at various British shows but does not expect that it will have any opportunity of extending this criticism, now that Mr. Malcolm has taken this department under his jurisdiction.

With regard to publicity there has been a similar change of policy. D. G. Geraghty, an experienced newspaper man, formerly with Reuter's, at Ottawa, has been sent to Britain to make a study of advertising methods and media in Britain and will make a report covering that aspect of the situation. Upon the basis of the recommendations of Messrs, Turcot and Geraghty, a government policy will no doubt be framed that will bring Canada more to the front in Britain and widen the market for the produce of Canadian farms and also of Canadian factories.

A war cannot be fought without ammunition and Parliament will have the support of Canadian business men in granting Mr. Malcolm adequate funds for any well-laid publicity plans he may introduce.

MUCK

SPEAKING ill of the dead is easy. Men who have long since been in their graves cannot institute libel actions. W. T. Preston, a schemer in Liberal party politics for a couple of generations, again wields his supple pen to caricature men who served Canada more or less wisely. He is vicious in his portrayal of those who have passed beyond. He is mildly sarcastic about those who are still alive. Mr. Preston's book refrains from serious aspersions in the character of those who are still on this earth. If Mr. Preston outlives the present generation of politicians he will be able to bring out another book later on.

Scandal-mongering is not typically Canadian, even though we are no nation of hero-worshippers. Somehow it does not seem to fit into the nature of things in this country. But apparently it is profitable. Mr. Preston's previous book on Lord Strathcona had an enormous sale, but if one can believe the gossip that has passed around since the book was published before the war, many if not most of the copies were bought by the Strathcona estate, the presses rolling off copies until the estate was nigh bankrupt paying for bound volumes that represented, no doubt, substantial royalties to the author. Mr. Preston was less acute in this volume in widening its subject matter. No one is likely to pay enough attention to what he has to say to want to buy up large quantities of even these well-bound volumes at five dollars a copy.

DANGER IN DELAY

THERE is a real menace to Canadian Great Lakes trade in the delay of Ottawa in announcing the site of the eastern terminal port at the foot of the lakes. This is emphasized by Senator W. L. McDougald, chairman of the Montreal Harbor Commission in a New Year's article contributed to the Montreal Gazette. Dr. McDougald points out that, although it has from time to time been stated in the press that the engineering board inquiring into this problem had reached a decision with regard to a suitable site, no action has been announced by the government. He again emphasizes the urgency of the matter and the danger of delay. Oswego, on the American side of Lake Ontario, is actively preparing to handle a large flow of Canadian grain to the seaboard. If Oswego is ready—with terminals and a favorable freight rate structure—before Canada is ready, it will establish a chain of benefit from the Welland Canal's completion, before Canada and the St. Lawrence River route have an opportunity to prepare to hold the traffic for this country.

No doubt, Kingston, Prescott and other communities at the eastern end of the Lake Ontario are each bringing considerable pressure to bear upon Ottawa in this matter, and the diplomatic difficulties involved in making a selection between the different sites may be the barrier to an early decision. But Ottawa put the matter up to an independent board for decision, and should be ready to accept their advice, whatever it is, and to do that without delay.

DOES NOT WORK

THE future marketing policy of one of British Columbia's major industries—fruit and vegetable growing—hangs in the balance. Insurgency reigns among one faction of the camp. The rebellion is against the fruit marketing act, passed at the last session of the provincial legislature. On the other hand, a portion of the growers are unanimous in praise of the measure, asserting that this method alone can assure future prosperity for the industry.

The marketing act, briefly, provided that all fruit and vegetables grown in Interior British Columbia, should pass through the hands of a control board which directed the grading, price and destination point. The measure, requested by the co-operatives of the Okanagan with a portion of the independents, aimed to eliminate wasteful duplicate shipments, cut-throat prices and shipment of poor grades.

With only an average crop, the board encountered little difficulty in directing the marketing of the fruit in the Okanagan, but disposal of the vegetables offered a more severe test. Rumblings of complaints were heard and the smoldering fire finally broke forth when W. H. Hammond, potato rancher of Ashcroft, shipped an unauthorized car of potatoes to Vancouver. His announced aim was to invite prosecution with a view of testing validity of the act in the courts. Prosecution, conviction under which carries a heavy fine, has still been withheld, although the control board has announced action will be taken.

In the meantime, the greater portion of the "rebel" car has been sold through various channels in Vancouver, constituting a third offense as the board price from potatoes was ignored. The other two infractions were unauthorized shipping and shipping potatoes of a forbidden grade. A peculiar political angle has arisen out of the "rebellion," Hammond and his associates threatening that unless the government take action to raise the provisions of the act as far as potatoes are concerned, they will enter "Independent Liberal" candidates in four ridings, one of which is Premier MacLean's, thus splitting the party vote and assisting the Conservatives. The provincial government has been careful to avoid treading on anyone's toes, pointing out that the measure was not a party one, but one approved by the legislature without party lines being observed. Perhaps, members of the cabinet now realize that governmental interference with economic laws is a highway fraught with difficulties and dangers.

EARNINGS COUNT

THE merger era through which Canada is now passing is presenting a series of consolidations and refinancing activities of the period from 1909-1911. At that time, Max Aiken gave the leadership in the fine art of fusion. The tendency to-day is undoubtedly towards big business and mergers are inevitable. In most cases, they are sound and in tune with good business. But each merger must be judged by the investor upon its merits.

The same advice must be taken to heart by those who purchase stocks of companies that have been purchased by syndicates or bankers and are recapitalized. To each such recapitalization, rigid tests must be applied. If the new company measures up, if it has the proven or prospective earning power and the assurance of good management, its securities, even if suggestive of that exceedingly vague factor, watered stock, may be regarded as good investments. But some such schemes are not to be regarded as healthy.

A word of warning in this respect has been delivered by Norman L. C. Mather, managing director of the National City Company, Limited. Mr. Mather points out that plans are on foot to recapitalize several Canadian corporations. "Since there is no sign that the market is yet over-stocked with securities they will probably be floated successfully but the public should realize that such financial transactions, when there is a merger of competing companies or contemplated increase in plant, while they may be based on a perfectly sound re-valuation of the assets of the company concerned, do not change the physical condition of the company or its capacity to earn profits," says Mr. Mather.

He adds a word that may well be considered to apply to all companies when he emphasizes that in the ultimate analysis, earning power is the true test. "In buying securities based on re-valued assets the public should be sure that those sponsoring the issue are men of experience and integrity who can be relied upon to have satisfied themselves that the earning power of the company is in proportion to its new capitalization."

STARVING SCIENCE

A WEEK ago, The Financial Post drew attention to the fact that the highest salary paid in the rust research laboratory at Winnipeg is $2,800 a year. Such a sum is, of course, inadequate to hold in the public service the highest type of students and scientists. Men of this type are usually more concerned with the good they can do, than with the money they can make. Apart from their fascination of their jobs, they feel a sense of accomplishment that is a part of their reward. But it is not to be expected that, when they can find opportunity to perform equally valuable work with private companies or in another country, and at the same time earn salaries that will enable them to maintain the standards of living they aspire to, they will stay in the Dominion Government's service.

It has since been reported that four members of the staff of this laboratory have been offered attractive positions in the United States. If Canada loses them it will probably lose them for good.

Similarly, throughout every technical service of the Dominion Government, highly trained, able students and scientists are being scandalously underpaid.

Not much outward sign appears of progress in connection with the Dominion Government's proposal to establish scientific research on broader and better lines in Canada, but it is understood that behind the scenes considerable advance has been made towards whipping the scheme into shape. It is to be hoped that when plans are finally announced, they will provide for a yearly appropriation that will enable fair and adequate salaries to be paid. Construction of a gigantic $2,000,000 research laboratory must be followed by adequate allotments.

EDITORIAL NOTES

IS THE booster spirit striking London? The Times writes on "Cooperation for Prosperity."

* * *

EXPENDITURE of $17,000,000 a year on advertising, by American Tobacco Company shows that their success was more than a "Lucky Strike."

* * *

THAT STRUT did not reveal the fate of the "Dawn" but the strut reveals the fate of the modern dance.

FOLKS and Finance

Sir Charles Gordon, the man who has done so much to place the Canadian textile industry on a sound financial basis and who has just been appointed president of the Bank of Montreal, is to make, probably, his first formal pronouncement at the annual convention of the Canadian Pulp and Paper Association on January 27.

The remarks of the speakers at what is probably the most important business convention held annually in this country, have in the past always been worthy of the thoughtful consideration of business men and investors throughout the Dominion. In view of Sir Charles Gordon's recent appointment to the presidency of the Bank of Montreal and the position he now occupies in Canadian finance, his remarks to the pulp and paper men are being eagerly awaited by business men generally. Sir Charles Gordon will no doubt have an interesting address to present to the men who manage, operate and finance the largest single industry in the Dominion.

New Books

My Generation of Politics and Politicians

The government jobs that have been occupied by W. T. R. Preston at one time and another are too lengthy to be published as a prelude to a discussion of his recollection of great and small Canadian political scandals. Mr. Preston has seen in his lifetime a succession of fearful and corruptive political influences that must have made it difficult for him to reach his present ripe old age as free from taint as a modest virgin. But here he is, anxious to present the terrible example to instil in the minds of young Canadians a desire to keep their own lives free from blame.

Of course there have been denials already of many of the allegations made by Mr. Preston. Most of his serious charges are made against men who have passed beyond but their friends have replied to Preston in some cases indicating by indisputable facts that Mr. Preston is far out in many of his facts and more of his conclusions. Even a casual reading of the book presents many glaring and unfair statements. One only need be quoted; Mr. Preston shows an antipathy to Mr. Drury, former prime minister of Ontario, and declares that Sir Adam found Drury "an easy mark" in his schemes for spending provincial money. The true facts of the case are that in Mr. Drury Sir Adam Beck met the first Ontario statesman who was ready to take his poltical life in his hands to defy the dictatorial and extravagant methods of the Hydro chieftain. Are we to assume that Mr. Preston's failure to convince Drury on a wild scheme Mr. Preston had worked up for the construction of a $16,000,000 Canadian fruit warehouse in Liverpool had something to do with his dislike for the Ontario premier.

The book is interesting but it is not history. One does not know what to accept as reliable and what to discard as merely false or merely ridiculous.

No substantial purpose has been served by the publication of the volume except perhaps to provide a few dollars for Mr. Preston in his old age. If the revenue from the sale of this book serves to keep Mr. Preston on the shelf politically there will be some immediate benefit to the country but there is evidence that Mr. Preston refuses to stay on the shelf and is already conducting a private lobby around Liberal circles to win support for another of his incessant and bothersome scheme to spend public money for the benefit of a small group—all, of course, under the guise of serving the public, as in the case of his fruit marketing schemes and his infamous Petersen contract for tubs on the Atlantic.

"My Generation of Politics and Politicians" is published, according to the wrapper, by D. A. Rose Publishing Company of Toronto, and sells at $5 too much.

Cotton Facts

The fifty-second annual edition of Cotton Facts, published by the Shepperson Publishing Company of New York, again makes its appearance for the 1927 year. Cotton Facts is known and is used as a statistical record of the cotton industry in every corner of the globe. The present volume more than maintains the excellence of its predecessors. A feature added to the 1927 edition is a section devoted to tables on culture, yield, etc., in the British Colonial possessions.

Bank Loans on Statement and Character

The system of lending money in these times has not been brought to a fine art. Gone are the days when merely personal intimacy with the bank manager enabled a customer to obtain a temporary convenience in the shape of an overdraft. But things are not cut and dried. It is impossible to eliminate the human element every time, because the human element is the biggest factor in business.

To many a branch manager, the mention of the word "loan" conjures up before him the hundred and one aspects of a phase of his banking day frought often with pitfalls which alone are known to the corporate officer who arranges for bank credits; and, therefore, anything which will aid him to make his system more perfect or throw light on the many intricacies concomitant with good lending, must necessarily be welcomed by him.

Mahlon D. Miller in a new work on "Bank Loans on Statement and Character," has gone to the pains of compiling a most excellent treatise on bank loans which is certain to prove a boon, not only in assisting the bank man in extending such accommodations upon sound and safe bases, but in aiding the borrower to prepare his loan application so that he may get all the consideration to which he is entitled.

Mr. Miller commences his work by setting forth the high lights from the standpoint of both banker and borrower and the accepted essentials to credit as a basis for analysis and investigation, and says:

"Commercial loans are to-day a dynamic factor in our industrial progress. Through successive business cycles, through periods of inflation and deflation, the system of unsecured borrowing on character and statement has developed to meet the requirements of business. To clearly understand the workings of commercial credit to-day, it is necessary to trace the evolution of commercial loan requirements, and to visualize the relationship between the banker and his customers as gradually changing with the depositor's methods of conducting business, and his consequent banking needs."

And he lays great stress on specific points for a would-be borrower to note in presenting the essentials for his banker's consideration.

M. D. Miller is a member of the Illinois bar; manager of the New Business Department of the Lake Shore Trust and Savings Bank, Chicago; and associate editor of "American Banker," and, out of his experience he has prepared this book of practical suggestions.

The necessity of the borrower furnishing correct and detailed financial statements, and their purpose, is gone into thoroughly and emphasis is laid on the importance of their part in determining advisability of bank loans to commercial borrowers. Their specific benefits to the borrower in obtaining the banker's confidence and in enlisting his help are also pointed out.

Mr. Miller is of opinion that past relations play a great part with a manager in his future concessions, especially in establishing a borrower's line of credit, and points out some errors depositors make and their effect on their financial standing.

Naturally a borrower's earning power is an increasingly important thing in the extension of bank credit, and the author tells how invaluable it is in revealing changes during the accounting period and also how often dramatic sidelights appear on what may seem a prosaic balance sheet.

It is impossible, in a short review, to touch upon all of the many interesting and instructive data contained in this excellent volume.

"Bank Loans on Statement and Character" is published by the Ronald Press Company, New York, at $6.

Comments

Remarkable Remarks by Interesting People

President von Hindenburg, of Germany: "Despite the troubles weighing on the German people, which can neither be forgotten nor put aside, it will participate sincerely in all efforts for real peace."

* * *

Dr. Nicholas Murray Butler, president of Columbia University: "The German people may well be proud of the part which they and their government have taken in post-war developments."

* * *

Dr. Harry E. Fosdick, modernist preacher: "In the eyes of a mother no man is commonplace. We should all learn to see others through the eyes that are not unlike those of a mother."

* * *

Dr. Reinhold Niebuhr, Detroit preacher: "The Rotarian is the real pessimist because he thinks the Kingdom of God is come."

* * *

Will Rogers, asking for tax reduction: "Please pass the gravy."

* * *

Rudolph Guenther, New York advertising agent: "Financial advertising, which reached a new high record in 1927, should gain even greater volume in 1928."

* * *

Prof. E. A. Ross, sociologist of University of Wisconsin: "In all previous stages of society fools and weaklings disappeared early, but now they are not only kept alive but are assisted to maintain homes in which they can raise children."

* * *

Rt. Hon. R. B. Bennett, leader of the Opposition: "We must decide within the next few years if we are to combine with other parts of the Empire or combine with economic interest elsewhere. It is economic union within the British Empire or with our cousins to the south."

* * *

Rt. Hon. L. C. S. Amery, Secretary of State for Dominion affairs: "In an Empire such as ours, which is not kept going by a centralized control, but is more of a spiritual thing, personal contact is vital."

* * *

Sir Henry Thornton: "Personally, I have no objection to being in the immediate vicinity of a rich man. It is the only way to make any money."

Efficiency of Collection Governmental Revenues is Big Aid to Business

By FLOYD S. CHALMERS

Before his sudden and tragic death, Hon. George H. Boivin, minister of customs and excise, sat up many nights signing orders for seizures and other routine documents of his department. It was impossible for him, or any other minister, to know intimately the details of every document to which the law of the land declared he must attach his signature, yet he personally bore the responsibility for every action.

To-day the Minister of National Revenue, Hon. W. D. Euler signs no seizure papers, rules on no income tax matters, and is not asked for permission to institute an action to collect over-due sales tax. Mr. Euler is a business administrator, presiding over a department that is divided into branches that have responsible chiefs over them. The significance of this change in the administration of the department that oversees the collection of taxes of the country is immensely important.

HON. W. D. EULER
Minister of National Revenue

It indicates why the department that was the most inefficient and ill-managed of all the departments at Ottawa is to-day practically a model of business efficiency and a logical object for the admiration of the business interests of the country.

Saves $10,000,000 a Year

The return in dollars and cents to Canada from the complete overhauling of our system of revenue collections can only be imagined, but it is very doubtful if it falls far short of $10,000,000 a year. That much has been saved for the taxpayer and that much has been taken away from smugglers, and tax evaders.

Legislation passed at the last session of Parliament put all the main revenue sources of the Dominion under the control of the Minister of National Revenue. He now oversees the collection of income tax, of customs duties, of sales tax and other excise duties and taxes. Through his department some $300,000,000 a year of the taxpayers' money passes. His is a colossal task, and yet no minister at Ottawa is more free of petty detail matters, nor more relieved of the worries of departmental administration than the Minister of National Revenue.

Mr. Euler sits at as clean a desk as that of the president or general manager of a large corporation; able to work out broad policies, to select with care the men to carry out those policies and to judge them by results. No previous minister of the antecedent department of customs and excise was in any such happy position. But to Mr. Euler goes the credit for having put himself in that position. He has done it by the establishment of a simple but effective departmental organization.

Three Branches of Service

The Department of National Revenue is divided into three branches each under a commissioner. The commissioner of each branch is the responsible head of that branch and he has a degree of authority necessary for him to manage his department according to the letter and spirit of the law.

The three branches are Excise, Income Tax, and Customs.

The Commissioner of Customs is R. S. Breadner, a faithful public servant whose fine work at Ottawa was but properly fairly recognized when he was put in charge of one of the most difficult branches of the public service. Mr. Breadner has effected sweeping changes in the work of his branch. He has set up a preventive service that has reduced commercial smuggling to the minimum and that has been a healthy force in promoting retail trade in those parts of Canada where the cancer of smuggling was gnawing at business.

Increase in Customs Shown

Customs revenue has increased very heavily during the past year. Much of the increase is attributable directly to the higher purchasing power of Canadians, which has led to increased importations. But an amount that cannot even be closely estimated has followed as a result of driving the smuggler to cover.

For the first nine months of the 1927 fiscal year the period to December 31, 1926, customs revenue amounted to $106,500,000. For the similar nine months period to December 31 last, revenue had increased to $116,800,000. The increase of $10,300,000 includes a large amount of money that had previously been going into the pockets of crooks and conspirators.

Changes in Excise Branch

Another of the three branches is that of Excise, and here George W. Taylor is the Commissioner. To him has fallen the difficult task of enforcing a system of sales tax collection to prevent the serious arrears that continually piled up under former lax systems. He too, has had to collect the back taxes so far as possible. The first move made was to obtain legislation putting teeth in the sales tax act. It came as a shock to many business men to learn a year ago, that the department was virtually without authority to enforce prompt payment of sales tax. That situation has been changed, and the penalties for non-payment of sales tax are now as drastic as they are direct. Of the sales tax arrears that were on the books of the department a year ago, large amounts are in dispute and court decisions will determine if the government has the authority to collect them. But there were miscellaneous arrears of over $2,000,000 as recently as last spring, and of these over a million dollars has been brought into the public treasury, while the balance is being actively collected. Much of it has to be garnered very slowly. It is not the policy of the department to throw any firm into liquidation to obtain moneys that were allowed to accumulate chiefly through the fault of the old department.

Sales Tax Payments Less

Due to the reduction of the sales tax a year ago from five per cent. to four per cent., there has been a decrease in sales tax collections during the current year. This makes it even more difficult to estimate the cash benefits derived from the more energetic collection policies. Sales tax collections for the period to December 31 amounted to $69,800,000 as opposed to $79,700,000 in the nine months of the preceding year. The reduction was $10,100,000.

Income Tax Under Walters

The third of the three branches into which this department is divided is that of Income Tax collection. This is under Chester Walters, as chief. Mr. Walters was brought from the income tax office at Hamilton to assume complete charge of income tax collection and Ottawa is unanimous in its opinion that Mr. Walters is doing very good work for the government. He has doubled his staff of auditors and this has brought to light a large amount of evasion of legitimate income tax payments. The income tax was reduced at the last session of Parliament, but income tax collections have increased. Three things have contributed to the increase. One has been the increased prosperity of the country. Another has been the taxation of certain forms of income that were formerly exempt. And the third has been the enhanced efficiency of the department's work in checking up on income tax payers. The revenue of the income tax branch in the nine months to December 31, 1926, was $45,700,000. For the nine months to December 31 last it was $53,100,000 a clear gain of $7,400,000.

In further articles it is proposed to take up each of the three revenue branches in turn to show how the business-like organization of the department under Mr. Euler has been achieved.

Newspapers Commend Ottawa's Volte Face on Publicity in Britain

The Kingston Whig-Standard under the heading "A Newspaper's Good Work," credits The Financial Post with having obtained a reversal of Ottawa's decision regarding working with the Empire Marketing Board in an exhibit at the British Industries Fair, London. The Whig-Standard says:

A little while ago we drew attention to the statement made by The Financial Post that the Dominion Government had refused to allow Canada to take part in the British Industries Fair to be held in London in February. It seemed to be a very strange decision, one, in fact, which should not have been arrived at in the opinion of most people, though no doubt the government had its own reasons for its refusal. It is therefore satisfactory to see the following statement made by The Financial Post:

"The Dominion Government has decided to co-operate with the Empire Marketing Board in an exhibit of Empire-produced foodstuffs at the British Industries Fair, which opens in London in February. Canada at first emphatically declined to be included. When The Financial Post revealed that the government had spurned the British government's co-operation in this matter, it was taken personally in hand by Hon. James Malcolm, Minister of Trade and Commerce, who, after a quick but thorough investigation of the question, decided that it was in the interest of Canadian industry that Canada should be represented. Mr. Malcolm has had an official of his department in London making the necessary arrangements, and expects to have a report from him as to what is being done before the end of the year. Incidentally another publicity man has been sent from Ottawa to London to see to it that Canadian exhibits receive adequate advertising in the British press."

This is another example of the good work which newspapers are capable of performing; and we refer to it in no partisan spirit, for we must credit the government with having seriously considered the question at first. Mr. Malcolm showed his wisdom and his determination to promote the interests of the country by obtaining a reversal of the government's original decision.

The New Westminster British Columbian, on the Pacific Coast, says:

Sees the Light

Word comes from Ottawa that the government has changed its mind on the question of participating in an exhibit of Empire-produced foodstuffs at the British Industries Fair in London next February. It had been announced that Canada would not be represented in the exhibit, which is being arranged under the auspices of the Empire Marketing Board. When that decision was made known there was a chorus of protest from the press of Canada generally. The Empire Marketing Board is financed by the British government to the tune of a million pounds sterling annually. Its sole purpose is to foster the sale of the products of overseas Dominions in Britain. This is a free gift to the Dominions, and all but Canada have been quick to take advantage of it. For some reason as yet unexplained, the Ottawa government has stood aloof and has shown no desire to co-operate. Several specific instances during the past year or two have revealed this attitude quite clearly. The culminating incident was the refusal to take part in the exhibit in question. The reaction has apparently caused Ottawa to see a light, and Hon. James Malcolm is credited with having brought this illumination to his colleagues.

It is to be hoped that the step now to be taken signifies that there is to be an end to this policy of non-co-operation which has already robbed Canadian producers of a good deal of valuable advertising which could have been had for the asking at no cost to themselves.

In the Maritimes, the Maritime Times remarks:

For Empire Trade

Decision of the Dominion government to co-operate with the Empire Marketing Board in its exhibit of Empire foodstuffs to be held in London in February, is to be commended. The British Empire, after all, is Canada's greatest market. It is a much greater market than the United States. During the 12 months ending October 31, 1927, the United States sold Canada goods to the value of $707,000,000, and bought from us but $472,000,000 worth. The British nations, on the other hand, which sold us but $231,000,000 worth of goods, bought from us to the extent of $511,000,000.

The idea of a self-contained Empire, making everything it buys and buying everything it makes, may be an unrealizable one. But there is everything to be said for trading as far as possible with your own kith and kin, and every step towards that end deserves to be supported.

There is conspicuous activity in regard to grain elevator construction at present in Vancouver. In Vancouver, tenders have been called by the Alberta Wheat Pool for the construction of the super-structure of a 2,500,000 bushel terminal grain elevator to be ready for the coming fall.

As Others See Us

More Investment Needed

Halifax Mail. — Is speculation in stocks getting out of hand in this country? Those who follow the course of such matters will see some significance in this item from the Toronto Financial Post:

"Many of the large stock brokers are now declining to open new accounts. One of the largest houses in Canada, with offices from coast to coast, has not opened a new account in four months. Other houses will buy securities for clients ready to pay for them in cash, but will not open new marginal accounts.

"While the chief factor in the refusal to accept new business is declared to be the fact that the present wire equipment and personnel of these firms is already overworked, the desire to curb the wave of speculation in the country is also said to have influenced the decision to close down on new business."

Coming, as it does, from a financial paper of standing and integrity, news of this sort supplies food for sober thought. If the brokers themselves feel called upon "to curb the wave of speculation," then, conditions must be reaching a very serious stage indeed.

There are two extremes in the field of finance: (1) Investment in "gilt-edged" securities; (2) Speculation in the hope of "easy money." But between these two extremes is the sort of contribution to enterprise that provides the necessary capital for industrial expansion. And it is a curious fact that the man who hesitates to take stock in a new industry will risk his money in high speculative ventures.

More investment and less speculation would help this country immensely.

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Member Toronto Stock Exchange

In the Mail

Against Public Ownership

Editor, The Financial Post:

While not a British subject and having no interest in Canada at present aside from a few shares in the Bank of Montreal, which I acquired at two-thirds of present quotations while living in Lethbridge and which I intend to retain, I am still interested in the progress of the country and find The Financial Post an excellent source of information. Your public utilities department is especially interesting. I have a personal aversion to public (political) ownership and, as your paper is published in Toronto, your comparisons of public ownership in Ontario and private ownership in Quebec cannot very well be called "knocking" Ontario. I have been unable to see why, in this country, a tax exempt business financed by tax exempt bonds and staffed by—probably—tax exempt employees should be permitted to compete with a tax paying corporation.

WILLIAM FORSYTH

Portland, Oregon,
Dec. 30, 1927.

"Stop Me If You've Heard This One"

A rumor recently gained circulation that a prominent corporation was about to spend half a million dollars in an expansion program. In an endeavor to obtain either a confirmation or a denial the office of the company was called on the 'phone but it happened that none of the executives was at his desk. As a last resort the telephone operator who had answered the call was asked if she had heard anything of these expansion plans. Apparently she was flabergasted at the suggestion for she answered: "Spend half a million on expansion! Good gracious, I hope not. We couldn't spare the money. Only the other day I was refused a new pencil sharpener due to the necessity for economy."

For January Investment Funds

We recommend a Selected List of High-grade Bonds and Preferred Stocks to yield from 5% to 7%

Write for our January Offering List.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post

WEEKLY REVIEW OF CONDITIONS

No Material Change in Industrial Position Expected
Decline Wholesale Prices Affects Value of Output
Year-end November Trade Figures Compare Favorably
Volume of Construction Reaches High Point in 1927
Revenue Freight Traffic of Record Proportions

SEEMINGLY unfavorable developments which may have occurred in certain branches of trade and industry toward the year-end are not looked upon as indicating a reactionary trend.

We are passing through a period of business expansion which is of more significance than that merely of a "boom." At certain points in the development of our economic life, there have been stages of expansion and exploitation which lifted production in all branches of industry to new levels. The customary settling down process has followed, but in each instance gains recorded have been held.

That we are in the midst of another period of development is apparent. How long it will last or how much progress will be made, is a moot point. Interest, however, lies in the immediate rather than the "long" outlook for business.

No Immediate Change

Even the experience of very recent years hardly warrants expectation of any material change in the industrial position for the moment. Arrival of a new year is traditionally an occasion on which immediate fulfilment of the year-end prophecies is looked for, but does not come. January and February, when they came,, would be governed by the same general picture as December and November. In the spring months the real test began.

It will be an interesting test in 1928 because of the unusual conflict between industrial facts and financial sentiment in 1927. Two or three years hence it will be possible to classify 1927 in post-war financial history. It is not possible now either to classify it or even to describe it confidently.

It is generally agreed that while the physical volume of industrial production last year was from seven to ten per cent. greater than in 1926, the amount of new wealth created was only about half that figure. The decline of nearly 3.5 per cent. in the general index of wholesale prices caused a shrinkage of values which limited the increase in gross value of output. On the other hand, lower values undoubtedly stimulated trade, although price cutting made new business hard to secure.

Price Trend Uncertain

For the first four months of the year the trend of the general index number was distinctly downwards, it having fallen from 150.6 in January to 148.5 in April. Greater strength was shown in May and June last. After that month upward and downward movements in different groups tended to counterbalance each other, the index declining to 151.9 in December.

While the spread in prices, taken as a whole, was not too pronounced, there were a number of sharp advances and declines in individual items. Much the same situation is expected in 1928 with the general trend upward. If such proves to be the case, then it will be possible to carry on business along stabilized lines.

One of the indices of business which has come in for a lot of attention during the past year has been the monthly trade return. For some time we had been accustomed to seeing reports of large advances in the "favorable" balance of trade. When the trend changed to "unfavorable" early in 1927, press comment became free. Few took the trouble to examine the returns and find that exports were still at the high level set in 1926 and that the "unfavorable" balance was due to the rapid increase in imports, brought about by a heavier domestic consumption of manufactured goods.

In the twelve months ended November last, total trade amounted to $2,332 millions, as compared with $2,324 millions in the preceding year. Of the total $1,246 represented exports and $1,085 imports, leaving a favorable balance of $160 millions. The only change of importance in the export trade is the decline in value of agricultural products. This is due in large measure to the late movement of the crops. Metals, comprising such items as freight and passenger automobiles, farm implements, etc., accounted for most of the increase in imports.

One feature of the trade situation which is often overlooked is that of the collection of duties. During the past twelve months over $167 millions in revenue was received from this source. As compared with the preceding year, there is an increase of better than $13 millions. This would presage another cut in federal taxation in view of the general improvement in the Dominion's finances.

Building Values Up

For the whole of last year, the value of new building undertaken totalled $418,951,000, according to MacLean's Building Reports. This is the second highest total ever recorded, and constitutes one of the outstanding features of developments in the past three years. While the number of large enterprises undertaken was greater than in the previous year, the report points out that there was an increase in business and residential construction. Moreover this work was well distributed, there being less concentration than in former years.

Judging by the amount of contemplated work reported on, the building trades will be active for some time to come. This will have a beneficial effect on allied lines, such as structural steel and clay products manufacturers. Paint companies, makers of hardware, tools, etc., also stand to gain, while the volume of employment and wages paid will be well maintained.

Record Freight Traffic

It is now possible to judge the extent of the revenue freight traffic movement for 1927. Final figures, as issued by the Bureau of Statistics show total car loadings of a few short of 4,000,000. This is 140,298 cars greater than in the preceding year and constitutes the greatest movement ever recorded on Canadian railways.

Both the Eastern and Western divisions report an increase in car loadings. Analysis of the reports shows that all classifications, with the exception of coke, pulp and paper, and ore, had a heavier movement. The increases for grain and grain products, coal, pulpwood and merchandise were outstanding. The latter is particularly significant as it bears out the contention that domestic consumption of goods was greater in 1927 than in 1926.

CANADIAN WHEAT MAINTAINS PRICE AT 1926 LEVEL

Soft Red Winter Crop Commands Premium in United States

For three months English importers and American millers have been paying lower average prices per bushel for wheat than in any period of similar length since 1923.

Canadian wheat of the higher grades, however, has been no cheaper than in 1926 on account of the small proportion of high quality wheat in the crop, and in the United States soft red winter wheat has commanded a premium.

Fluctuations Were Small

World wheat prices declined from the level prevailing in early August as a large crop in Canada became assured despite late seeding and danger of rust and frost, but during October-December price fluctuations were small.

Lower world prices than in the three preceding years reflect an easier international statistical position. The world crop, exclusive of Russia and China, now appears the largest in post-war years except 1923; but it is little above the time of normal growth. The international position is slightly easier than in 1926-27. Partly because of large carryovers into the crop year, exporting countries have larger supplies available; but even with allowances for growth of consumption, importers require a little less wheat.

International trade for the crop year 1927-28, as measured by net exports, promises to reach 825 million bushels. The United States, Canada, and Argentina will probably provide about 693 million bushels, an extraordinarily large proportion of the total, while exports from Australia, India, Russia, and the Danube countries will be small. Germany and Italy will probably import appreciably more wheat and flour this year than last; France, Poland, Egypt, and the Orient will take less. International trade bids fair to follow a more normal course than in 1926-27, when high ocean freight rates in September-November disproportionately restricted trade in the first half of the year and swelled it in the second half.

No substantial reason now appear for anticipating material departures from the November-December level of world prices, at least until new-crop prospects begin to exert an influence in May. Carryovers out of 1927-28 are likely to be larger than those of 1926-27, more particularly in the United States; but no such increase is probable as occurred last year.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest 1927	Latest 1926	To Date 1927	To Date 1926
Pig iron, tons (Nov.)	37,989	52,345	646,500	683,532
Steel, tons (Nov.)	80,730	54,811	811,390	718,395
Newsprint, cwts. (Nov.)	190,293	164,798	......	......
Automobiles (Nov.)	6,617	9,828	175,991	197,340
Boots and shoes, pair (Nov.)	1,408,979	1,525,739	16,319,997	15,999,256
Flour, bbls. (Nov.)	2,120,116	..(3 mos.)	6,810,910	6,998,727
Construction—				
Contracts awarded (Dec.)	$36,682,000	$18,728,800	$418,951,600	$372,951,600
Building permits (Nov.)	$12,849,089	$9,975,451	$173,707,177	$144,877,789
Labor—Employment index (Dec.)			106.8	101.1
Transportation—				
Car loadings (to Dec. 31)	49,307	48,490	3,399,013	3,258,715
C.P.R. gross (Nov.)	$21,993,751	$21,524,116	$182,378,500	$180,233,610
C.P.R. net (Nov.)	6,375,794	6,749,723	37,842,404	43,328,944
C.N.R. gross (Nov.)	$23,699,965	$23,501,587	$243,408,396	$240,213,168
C.N.R. net (Nov.)	6,777,333	7,191,257	40,118,930	44,334,776
Population—				
Emigration (Oct.)	7,962	.....	107,141	......
Immigration (Nov.)	5,904	7,721	*124,362	*108,620
Trade (Nov.)—				
Imports	$94,311,883	..(12 mos.)	$1,085,630,230	$1,003,485,204
Exports	153,118,718	..(12 mos.)	1,226,481,091	1,305,715,729
Imports of key products (Nov.)—				
Rubber, lbs.	4,292,041	..(12 mos.)	58,123,868	46,265,412
Cotton, lbs.	11,986,796	..(12 mos.)	133,550,734	137,544,744
Sugar, cwt.	657,799	..(12 mos.)	9,836,667	11,275,929
Petroleum, gals.	64,977,787	..(12 mos.)	806,310,451	675,856,465
Coke, tons	75,468	..(12 mos.)	780,595	1,052,087
Exports of key products (Nov.)—				
Newsprint, cwt.	3,599,372	..(12 mos.)	37,381,429	34,254,360
Automobiles, pass. (No.)	2,403	..(12 mos.)	42,879	54,434
Wheat, bush, (Nov.)	52,805,237	..(4 mos.)	98,502,855	94,636,274
Wheat Flour, bbls.	1,149,474	..(4 mos.)	3,239,304	3,296,012
Finance—				
Failures, number (Oct.)	183	180	1,466	1,437
Failures, liabilities (Oct.)	$3,095,476	$3,188,689	$24,735,094	$24,083,172
Bank Debits (Nov.)	$4,150,724,796	$2,915,658,907	$31,839,425,196	$27,514,880,175
Bond Sales	....	....	$609,037,874	$565,278,644
Stock prices index (Dec. 31)	....	....	590.0	229.3
Insurance sales (Nov.)	$44,935,000	$44,251,000	$453,539,000	$424,283,000
Wholesale prices (1913-100)—				
General Index (Nov.)	....	....	152.2	151.4
Iron	....	....	141.4	145.7
Cotton	....	....	165.7	106.5
Grains	....	....	163.1	158.0
Cattle	....	....	127.1	91.7
Rubber	....	....	60.9	64.8

*8 months.

Record Electric Output Report Central Stations

Returns for Eleven Months Presage Largest Annual Production in History of Industry—Provinces Using More Power, While Exports Grow

Output of central electric stations in Canada was greater in 1927 than any other year on record.

Records compiled by the Bureau of Statistics show that for all of 1926 11,282,512 thousand kilowatt hours of electric energy were produced. For the eleven months ended November of the past year output totalled 11,026,118 thousands. Figures for the full year, therefore, will show an increase over 1926 of nearly 750,000 thousand kilowatt hours.

Between 80 and 85 per cent. of the total output of the central electric stations is credited to water power developments, the balance being derived from fuel-using plants. During November last, 1,060,888 thousand kilowatts were produced by water and 21,238 by fuel, making a total output of 1,082,126.

Steady Increase Recorded

The manner in which output has steadily increased is shown in the following table, which covers results during the past two years by months. It will be noted that output in 1926 gradually moved upward from about 900,000 to 1,000,000. In the past twelve months the range was not so widespread, but the gains made in the preceding year were held and in some instances added to.

(000's of kilowatt hours)

	1926	1927
January	911,876	1,015,961
February	848,289	938,001
March	927,829	1,019,483
April	875,912	978,128
May	904,392	979,454
June	907,104	961,358
July	903,795	945,611
August	907,050	1,034,610
September	929,387	992,114
October	1,003,700	1,079,282
November	1,015,119	1,082,126
December	1,053,019	....

For the purpose of making more accurate comparisons, the Dominion has been divided off into five areas, namely, the Maritimes, Quebec, Ontario, Prairie Provinces and British Columbia. Each of these divisions show a steady and healthy increase in the utilization of electrical energy.

Divisions Using More Power

In the Maritimes, the average monthly output in 1926 was slightly over 10,000, while for 1927 it was over 11,000, a gain of approximately 1,000 a month. Much of this increase is due to greater manufacturing activity, especially pulp and paper. When the Grand Falls development and other industrial undertakings now under way are completed, output of central electric stations in the Eastern provinces will record a substantial increase.

Both Ontario and Quebec have been recording good gains in output of power. There is undoubtedly a greater utilization of electricity in these provinces, both for domestic and commercial purposes than in any other area. The addition of several newsprint machines to the producing list during the past year greatly stimulated production. Moreover, there were larger demands from the mining industry, manufacturing plants, etc.

Prairie Demand Jumps

There has been a greater proportional increase in the use of electric power in the Prairie Provinces than elsewhere. Whereas in 1926 the average monthly output approximated 60,000 thousands of kilowatt hours, the output for the past year on the same basis was close onto 80,000. This increase is credited to the greater utilization of water power. While power generated by fuel is still the main source of supply for many cities and towns in the West the cheaper and more economic distribution of the former is attracting new business.

Output of central electric stations in British Columbia, generated by water power, has made a steady advance during the past year. Manufacturing demands have been mainly responsible for this. As will be noted from the above table on monthly average production, there has been no wide fluctuation, the movement being slowly upward.

Daily Output Grows

Analysis of the returns by the average daily output gives a better idea of the increase in output of central electric stations. Details are shown in the following table by months for 1926 and 1927:

(000's of kilowatt hours)

	1926	1927
January	29,416	32,773
February	30,117	33,500
March	29,932	32,887
April	29,197	32,605
May	29,174	31,595
June	30,236	32,045
July	29,154	30,504
August	29,260	33,375
September	30,980	33,070
October	32,378	34,815
November	33,837	36,070
December	33,968	...

As will be noted, there has been an increase in the daily average from 29,416 in January, 1926, to 36,070 in November of last year. In comparison with November of a year ago, the increment amounts to 2,102.

Divisional report shows an increase of about 25 per cent. for the Maritimes in the average daily output; 9 per cent. for Quebec; about the same for Ontario; 40 per cent. for the Prairies; and about 10 per cent. for British Columbia. These figures are for electricity generated by water power only and do not take into consideration that generated by fuel. As the latter remained practically stationary throughout the year, the increase by water power may be said to represent the general advance.

Exports Are Larger

Figures relating to export of power show the same tendency as those for domestic output. At the end of 1926 Canada was exporting to the United States 127,568 thousands of kilowatt hours a month. For November last, total exports were 129,415, although this figure was much higher in the summer months, when exports totalled as high as 157,197.

Admitted to Partnership

MONTREAL.—R. C. Stevens, the manager of the Montreal branch of the New York Stock Exchange house of Shearson, Hammill and Company, has been admitted to partnership in his firm. Mr. Steven's first business experience was obtained with the Bank of Montreal. He later joined his present firm in 1914, succeeding W. P. Mackenzie as manager of the Montreal office.

Traffic on the St. Lawrence Canal during the period of navigation of 1927 constituted a record in tonnage carried, being nearly 25 per cent. greater than the tonnage for the previous record year, 1925.

CRUDE PETROLEUM IMPORTS ADVANCE TO RECORD HEIGHT

Demands of Motor Car Users Provide Business For Refineries

That the refinery and distributing companies, operating in Canada, are doing an enormous business is indicated by the rapid increase in imports of crude petroleum in the past three years.

Government trade returns show that 436,258,000 gallons of crude were imported during 1925. In the following year imports jumped to 570,384,000 gallons. During the period from January to November of the past year another increase of the same proportions was recorded, returns totalling 625,300,000 gallons. With another month to go final figures will probably top the 700,000,000 gallon mark.

It is evident from these figures that the Canadian oil refineries are increasing their business much faster than is generally supposed. With the advent of good roads the automobile has come into general use, both for private and business purposes. It is not known, by the number of registrations, that there has been an increase of approximately 10 per cent. a year in the number of cars in use in this country.

Average Consumption Up

An increase of similar proportions in the amount of gasoline and oil used is to be expected. But imports of crude show that the refineries are marketing at least 20 per cent. more each year. Therefore, the assumption is that the average consumption of oil and gasoline per car is increasing.

A short time ago the Financial Post had occasion to prepare an estimate of the approximate amount of gasoline used in each of the provinces. This estimate was based on the returns of the gallonage tax and by the number of cars in use.

For 1926, consumption of gasoline by motor vehicles was placed at 250,000,000 gallons. For the past year, the figures are undoubtedly much higher in view of the more open season and the larger number of cars in use.

Spend Over $100,000,000

On the basis that the motor car is run on an average 6,000 miles a year and that the cost per mile of oil and gasoline is 1.95c., several interesting deductions are made, which, if not wholly accurate, provide an approximate idea of the importance of this outlet to the oil refineries and also as to the amount spent each year on motor car travel. Assuming that there were in operation during the past year an average of 870,000 cars, then the amount spent on these two items was over $100,000,000.

There are numerous other important outlets for the oil refinery products and it is not surprising that imports of crude petroleum have advanced so rapidly. At the present rate of increase in the use of motor cars, it will not be long before imports of crude reach the billion gallon mark.

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Subscriptions have been received in excess of this Issue.

NEW ISSUE

$125,000

Cities Heating Company, Limited

Twenty-Year First Mortgage 6% Sinking Fund Gold Bonds

To be dated January 1st, 1928 *To Mature January 1st, 1948*

Principal and semi-annual interest (January 1st and July 1st), payable in Canadian Gold Coin, or its equivalent of lawful money of Canada at the Royal Bank of Canada, London, Montreal and Toronto. Coupon Bonds in denominations of $1000 and $500 registerable as to principal only. Redeemable in whole or in part at the Company's option at any time upon sixty days' notice at 103 and accrued interest up to and including July 1st, 1929; at 102 and accrued interest thereafter up to and including July 1st, 1932; at 101½ and accrued interest thereafter up to and including July 1st, 1937; at 101 and accrued interest thereafter up to and including July 1st, 1942; and at par and accrued interest thereafter to maturity.

Trustee and Transfer Agents: London & Western Trusts Company, Limited

CAPITALIZATION

	Authorized	Issued
6% Twenty-Year First Mortgage Sinking Fund Gold Bonds (this issue)	$200,000	$125,000
7% Cumulative Preferred Stock	100,000	100,000
Common Shares (No par value)	3,000	3,000

Mr. Robert Greene, President (to be elected), summarizes the information contained in his letter to us as follows:

THE COMPANY—On completion of organization and present financing, Cities Heating Co., Limited, will have purchased and acquired the assets and good will of the Helena Power Co., and the heating and power plant of Greene Swift Limited.

BUSINESS—The Company will continue the production and sale of steam heat for heating and power purposes. The combined companies have more than 150 customers in which are included the principal business houses and public buildings. Many more will be connected up during the next two years.

The Company which is a public utility has been granted a franchise by vote of the people good for thirty years which gives it the right to utilize the streets in order to lay mains in the business section of the city of London.

PURPOSE OF ISSUE—The proceeds of this issue will be devoted principally to the laying of high pressure mains connecting the two heating systems and additional customers, all of whom will be served on the meter plan in the same manner as other public utilities such as: electricity, water, gas, etc., as well as the extension of the present plant.

ASSETS—The fixed and current assets of the Cities Heating Co., Limited, exceed $251,000, or more than twice the amount of this bond issue.

EARNINGS—Based on the conservative estimate of Mr. Robert Greene, earnings available for bond interest, sinking fund, etc., will be $24,000 for the first year, which is 3.20 times the required interest on the First Mortgage Bonds. Due to the extensions of mains and the increase in the number of consumers, earnings should show a substantial appreciation in the following years, which would considerably enhance the value of the common stock.

SINKING FUND—The Trust Deed will provide a semi-annual Sinking Fund for this issue commencing on July 1, 1928, which will be sufficient to redeem the entire issue by maturity.

MANAGEMENT—Mr. Robert Greene, President of Greene Swift Company, and Greene Swift Power Company, will be president of the Company, and associated with him on the Board of Directors will be Mr. John S. Moore, general manager of the London & Western Trusts Company; Mr. W. E. Greene, secretary-treasurer of Greene Swift Limited; Mr. Arthur W. White, president of George White & Sons Company, Limited; D. B. Weldon, managing director, Midland Securities, Limited, and others to be elected.

SECURITY—These bonds will be a direct obligation of the Cities Heating Co., Limited, and will be secured by a First and Specific Mortgage on all the real and immovable property of the Company, and by a floating charge on all other assets of the Company, now owned or hereafter acquired as provided in the Trust Deed.

We have purchased and offer these Bonds for delivery if, as and when issued and received by us, and subject to approval of our counsel, Messrs. Ivey, Elliott & Gillanders, as to legal details.

Price: 100 and accrued interest, yielding 6%
Carrying a bonus of two shares Common Stock with each $1000 Bond.

Midland Securities Limited
Royal Bank Chambers LONDON, ONT. Telephone Metcalf 1184

January 6th, 1928.

The statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

Pulp & Paper

Spanish Preferred at Level of Abitibi Called Out of Line

Suggestion is That Preferred is Worth More

NO SETTLEMENT YET

But It is Expected That Spanish Preferred Holders Will be Offered Two Classes of Stock

From Our Own Correspondent

MONTREAL.—In selling on the same level as the Abitibi Power and Paper common shares, Spanish River preferred certainly appears to be out of line. At present prices, the market places a value on the stock not in excess of the common shares of Spanish which have been turned in to be exchanged for Abitibi Power and Paper new shares.

When the exchange of Spanish River common is completed, the holder of that stock, for every share held, will receive two new shares of Abitibi no par value common on which will be paid $4, annually. Thus, the Spanish common shareholders will receive an increase of 1 per cent., or $1 a year in their dividends.

Spanish River preferred, however, ranks ahead of Spanish common, and moreover, participates equally with the common in any increase in the present dividend rate.

In theory, Abitibi is at liberty to acquire all the common stock of Spanish and to pay the original holders increased dividends without increasing correspondingly the rate payable to the Spanish preferred; but, in practice, it is felt that no such course will be taken and that with the increased disbursements to the Spanish common shareholders from the beginning of this year, Spanish River preferred when they are shortly offered an exchange for their stock, will also receive an increased revenue from their holdings.

When an exchange of securities is offered the Spanish preferred shareholders, it seems obvious that the strong position of the stock will be recognized, together with the moral rights which the preferred shareholders have to an increased annual revenue. Therefore, in selling at an indicated value equal to the common, the preferred shares issue appears to be out of line with their value.

The recent 10 points decline in Spanish preferred has caused gossip and rumor in financial circles where it is sometimes interpreted as forecasting an offer of exchange on practically the same basis as Spanish common; but, Abitibi has created an issue of preferred stock which has not yet been issued. It is thought that when the exchange is offered to Spanish preferred shareholders, they will be offered new Abitibi preferred, plus new Abitibi common, so that their seniority and participating rights both will be protected. In the meantime, investors are apparently recognizing the fact that Spanish preferred has been selling out of line and the shares are increasing in price.

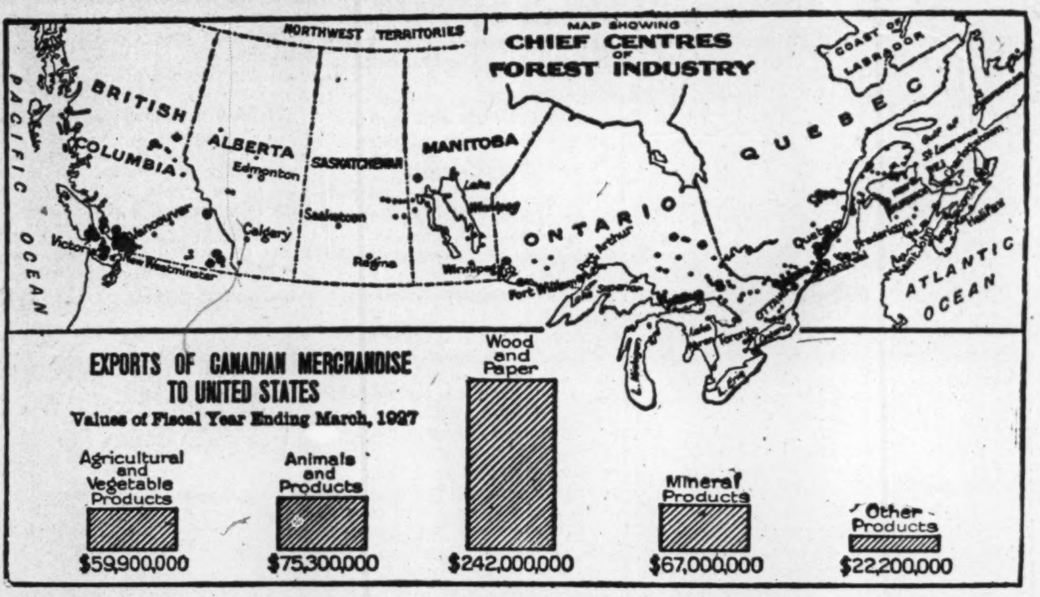
New Mill Started by Fraser Concern

From Our Own Correspondent

MONTREAL.—Construction work has begun on the new groundwood mill of the Fraser Companies at Edmundston. One of the drying machines at the plant is now being changed over to produce sulphite and groundwood board.

Across the International border from the Edmundston mill, is the Madawaska, Maine, fine paper mill of the company in which by February 1, a new 70 ton fine paper machine will commence operations. A fourth machine, which will produce light weight paper, will add a further 30 tons daily to this mill's production. This last machine, it is expected, will be in operation by the middle of March.

Forestry Industry Dominates in Canada-U.S. Trade Relations



It has been recognized for some time that the export of newsprint and other paper from Canada plays a dominate part in the Dominion's external trade. Moreover, it is one of the principal factors in maintaining Canadian currency at par in New York. The mounting sales of forest products alone have enabled the Dominion in recent years to keep her trade with the United States from becoming altogether lopsided. Last year Canada sold to the United States roughly $242,000,000 worth of wood and paper products, this class of goods representing more than half of the total value of exports to that country.

PULP AND PAPER HEADS INDUSTRIES OF NEWFOUNDLAND

Supplants Codfishery as Principal Source of Revenue

SATISFACTORY YEAR

Estimate New Wealth Produced in 1927 Approximates $30,000,000 or More

Exportable products of Newfoundland origin had a value in 1927 of nearly $30,000,000, according to a survey prepared by the Newfoundland Trade Review. For the first time, pulp and paper leads fishing as the principal industry of the island.

As only a small percentage of the total production of Newfoundland is retained for domestic consumption, export figures represent closely the total value of production. On this basis, the value of pulp and paper produced on the Island last year was $13,359,000. This compares with an aggregate value of all fisheries of about $14,000,000.

The following table shows in detail the principal items of production, together with their values:

Exportable Products

Codfish	$11,019,800
Common cod oil	494,450
Refined liver oil	625,000
Herrings	446,500
Chilled salmon	150,000
Pickled salmon	80,900
Dried squid	32,818
Sealfishery	683,037
Whaling	404,725
Berries	62,220
Iron ore	1,602,514
Pulp and paper	13,359,888
Miscellaneous	400,000
Total	$29,361,802

Industry More Widespread

The feature of the economic life of the Island in recent years is the steady increase in new industries and new products and their sure advance in volume of output and value until the dry salt fishery, which at one time was the premier industry in value, is now but a percentage in the total.

Pulp and paper this year takes first place and exceeds the value of cod fishery by over two million dollars. The A. N. D. Co. manufactured 90,200 short tons of paper during the year and exported 88,900 tons. The local value of their season's operations was $5,778,500. Corner Brook mills operated at full capacity for eleven months of the year and at 75 per cent. for one month, an average working capacity of 98 per cent. This compares with an operating ratio of about 82 per cent. in Canada and the United States.

The total production at Corner Brook for the year was 114,300 tons, all of which was sold in the United States, with the exception of about 3,000 tons which went to New Zealand. At $65 a ton the result is $7,429,500.

In addition to the manufacture of pulp and paper, pulp wood was produced at a number of points on the Island which materially added to the revenue accredited to this industry. It is estimated that 15,937 cords, valued at $151,838, were shipped, bringing the total value of pulp and paper products produced during the year to $13,359,838.

Codfishery Satisfactory

Shore codfishery operations were generally satisfactory both as to quantity caught and price obtained. While weather conditions during August were unfavorable, less people were engaged so that the average returns were higher than in other years.

The total catch landed for the year 1927 was 936,980 quintals. The Labrador catch was 330,000 quintals, thus giving a total of 1,266,980 quintals. Of this quantity, 957,364 quintals have been marketed, which leaves 309,616 quintals still on hand to be shipped. This should easily go into consumption before the first of next year's fish is ready for shipment and the 1928 season should open with practically bare markets.

Cod Oil Output Higher

Production of common or crude oil out of the 1927 catch of codfish was 3,190 tons, which is the lowest for many years, but is principally due to the greater quantity of livers sent to the refineries. The market for common oil was fair and owing to the short production stocks in Newfoundland have been practically cleaned up. The average season's price was about $155 per ton, which gives a total value to this branch of industry of $494,450.

Refined cod liver oil production, on the other hand, reached the highest point in the history of the industry. This industry from its inception has been conducted under rigid rules and a strict inspection of all shipments has prevented inferior quality going abroad. The total production last year, in round figures, was 500,000 gallons, which netted the producer about $625,000.

Seal and Whale Fishing

Nine steamers with crews aggregating 1,634 men prosecuted the seal fishery last spring. They brought in 180,459 seals, the fat of which was worth $297,422. There was also a small catch reported by sailing vessels, the fat value of which was a little over $11,000. Taking into consideration the value of pelts, which approximate $374,458, the total value of last year's sealfishery was $683,037.

Three whale factories were in operation during the year, two in Newfoundland and one in Labrador. The two companies operating reported a catch of 366 whales, from which oil to the value of $360,323 was produced, representing a quantity of 14,413 barrels. In addition, there was produced 1,110 tons of guano, worth $44,400.

Mining Outlook Good

The past year set a record in iron ore operations at Bell Island. This industry has been anything but satisfactory during recent years under the control of Besco, but since the receiver was appointed, work there has been steady. The mines will be working continuously all winter and indications point to steady employment. Total shipment of ore during 1927 amounted to 1,335,429 tons, which are conservatively valued at $1,602,514.

The foregoing is a brief review of conditions in the principal lines of activity and the revenue quoted does not represent the entire income of the Island, as no consideration has been given to revenue received from agricultural, manufactures, such as boots and shoes, clothing, tobacco, bakeries, soap, paint, etc. Agricultural products alone are estimated by the Agricultural Department to be in the neighborhood of $4,000,000.

With the object of enabling farmers of Manitoba to realize the advantages that accrue from the use of electricity on farms a movement for the electrification of farm homes for demonstration purposes has been initiated by Hon. W. R. Clubb, Minister of Public Works. Work will be started shortly.

INCREASE PREDICTED FOR HOWARD SMITH

Common Stock Earnings Are Likely to Exceed Past Five Years

From Our Own Correspondent

MONTREAL.—If the Howard Smith Paper Mills for the fiscal year just concluded makes deductions from its income account for depreciation and other charges in line with those of last year, it is understood that earnings on the common during 1927 will amount to $9 a share. This figure of earnings on the common stock has not been exceeded during the past five years. In 1926, $7.62 was earned on the stock. Earnings of the company at the present time are understood to be ahead of the same period of a year ago.

The Dominion Engineering Company is engaged in building a new fine paper machine for the Howard Smith Paper Mills Cornwall plant which will be delivered about the end of this month.

In the year just concluded, Howard Smith benefitted by bringing its subsidiary, Canadian Cellulose, into production, but the benefits received last year were confined solely to obtaining soda pulp at satisfactory figures. During the current year, it is possible that the parent company will be able also to take some profits from its subsidiary's operations.

DRYDEN'S SHARES REFLECT PROFITS OF CURRENT YEAR

Market Value Now Equals Price of Seven Years Ago

From Our Own Correspondent

MONTREAL.—The shares of the Dryden Paper Company, in selling at their present level, reflect more the current earning power of the company, rather than its actual financial position for since 1923 the company has been in arrears with the interest charges on its 6 per cent. mortage debenture stock, of which there is some $1,100,000 outstanding. In view of the situation surrounding the shares, it is perhaps rather surprising that the stock should sell at a level equal to its issue price seven years ago.

The present financial position of the company would hardly allow it to pay off the arrears of interest in cash; it is thought that ultimately a deal will be made with the debenture holders to liquidate their interest arrears by the issue of common stock.

Just how soon some reorganization of the company along these lines will take place and when it will pass out of the hands of the receivers, seems to be some distance off. Present levels of the stock certainly seem to discount very largely the future possibilities of the property. In any consideration of Dryden, it is, of course, to be remembered that the current earning power position of the company is satisfactory. Nevertheless, before Dryden can pass out of the hands of the receiver, it must either meet its interest arrears, or arrive at some compromise with the debenture holders whereby they will ta common stock in lieu of their fo years of interest arrears.

Capital: $1,000,000
Reserve: 350,000

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Tucketts Tobacco

Kindly recommend a good investment stock paying 6 per cent. or 7 per cent., with dividend payable middle of January and every three months after.

The preferred stock of Tucketts Tobacco Company is selling at a price to give a yield of a little better than 6 per cent. It is a sound company. The dividends are payable January 15th, and quarterly thereafter.

McColl-Frontenac

I have been advised to purchase the preferred shares of the McColl-Frontenac new merger company. Would you consider such a purchase satisfactory?

The McColl-Frontenac preferred shares carrying with them a bonus of common stock appear to us to be a satisfactory business man's investment. On the common shares, over a term of years, you stand a good chance of making a satisfactory appreciation. The record of similar companies has been such that for the future, the outlook for McColl-Frontenac looks promising. The stock is well sponsored.

Famous Players

I have been thinking of trading my 1,000 C.P.R. Sinking Fund Certificates for Hollinger or Famous Players. Will you please tell me what to do?

If you are interested in yield on your securities you probably would not be making a mistake if you sold your C.P.R. sinking fund certificates and purchased instead the first preferred stock of Famous Players Canadian Corporation. At the present price, this will give you a yield of better than 7 per cent., and so far as we are able to learn, the company is improving its position steadily, so that the possibility of deferred dividends is comparatively remote.

Investment Stocks

Could you give me a list of three or four preferred stocks which you consider safe for a widow to buy who requires the highest yield possible with safety and who has $3,000 to invest?

Three investment preferred stocks of comparatively high yield and reasonable safety which probably are suitable for investment by a widow, are:

Goodyear Tire preferred to yield approximately 6.6 per cent.

Massey-Harris preferred selling at a price to yield approximately 6.4 per cent.

Canada Steamship Lines preferred selling at a price to yield approximately 6.6 per cent.

Gotfredson

I notice in your issue of December 30, last, that you have listed "Gotfredson Corporation" under January dividend payment, as paying a dividend on January 15 next of .37½c per share. Would you be good enough to advise whether this item is correct inasmuch as the last dividend was deferred?

We find that our Statistical Department overlooked the deferring of the dividend of 37½ cents per share on Gotfredson Corporation.

The company has been having its difficulties in the past year, but our latest information indicates the hope that conditions will be better in 1928.

The stock of Gotfredson Corporation has been listed on the Toronto Stock Exchange since December 17.

Windsor Hotel

What do you think of the Windsor Hotel and the present issue of preferred carrying with it a bonus of common stock?

The Windsor Hotel operates under an able management, and despite the fact that it is an old property, occupies a warm place in the hearts of the travelling public. This is, of course, due to the able management.

The preferred, with its bonus of common stock, looks like a satisfactory business man's purchase to us.

In the event of either of the railways building hotels in Montreal, the profits of the company might be affected, but despite the erection of new hotels in Montreal in the past, the Windsor has always managed to do well, and will probably continue to do well in the future.

Canadian Celanese

I have been advised to purchase the preferred shares of the Canadian Celanese, but I would like to have your opinion of the stock before doing so.

While Canadian Celanese preferred is in arrears with its dividends, yet we believe the stock is attractive. Dividends will perhaps be initiated this year. The plant only goes into complete operation within a month or so. When the preferred stock was issued, there was no intention of paying dividends until such time as the plant was in operation.

In view of the spectacular success achieved by the sister Celanese companies operating in Great Britain and the United States, we believe that the preferred shares of the Canadian Celanese may be regarded as an attractive business man's purchase.

Seagram's

I purchased 100 shares of Seagrams in June last at 27½. Will you kindly let me have your opinion of this stock? Would you advise buying more at around present prices to average cost?

There is very little authentic information available regarding Seagram's. The stock has fluctuated in the twenties throughout the last year. Earnings probably are fairly satisfactory, but we know of no reason for expecting any further great appreciation in the value of the stock. An objection to Seagram's which has been voiced by those conversant with conditions in the distilling industry is that the company has no great reserves of alcohol. Good whisky must be allowed to mature and a company without large stocks of maturing liquor, naturally is not in such a good position as could be desired.

Bonds and Preferred

I am thinking of buying some high yield bonds and preferred stocks to improve the yield from my total holdings. Have you any views on such a switch? would it be advisable?

In buying high yield bonds and preferred stocks, we would remind you that such securities are neither fish nor fowl. Both types of securities can, at the best, only appreciate a little and there is always the off-chance that they might depreciate. In other words, if you are buying high yield bonds and preferred stocks, have your holdings well diversified and in addition you should have a foundation of gilt-edged bonds and gilt-edged common stocks. The gilt-edged bonds will provide you with a regular revenue, and the gilt-edged common stocks will give you an opportunity of participating in their appreciation over a term of years.

Imperial Oil

I am considering purchasing fifty shares of the Imperial Oil Stock, and would be glad if you would kindly tell me what is the market outlook for this security.

The stock of Imperial Oil Company has risen rather rapidly in the last year. For this reason it is possible that it may be stationary or be somewhat slow in ascending in the next year.

This, however, is by no means certain, because there is little real information concerning the actual position of the company. Shareholders in this company are not given all the information to which they are entitled, but this hardly has detracted from their satisfactory experience in view of the continuous and rapid rise in the stock over a term of years. In our opinion, you would not be making a mistake by purchasing stock in this company if you are moderately patient as regards the market.

Lake Ontario Brewing

Please give me information regarding this company, as to financial standing. Would you consider this stock as safe as Carlings or Canadian Brewing.

Lake Ontario Brewing is doing about as well as was expected at the time of the issue of the stock. It is believed that the company will be able to maintain its $2 dividend.

We hardly think the company as yet is in a position to be compared with Canadian Brewing Corp., and certainly it is not so large a company as that of Carlings. Carlings has become increasingly attractive because of the better distribution of the stock and the listings on the Detroit Stock Exchange.

The Brewers are making good money in Ontario owing to the price of beer, which is believed to be somewhat high. The so-called export market also is reported to be good and the brewers situated along the international boundaries, naturally benefit the most from this.

Alcohol A and B

I cannot seem to find out the difference between the A and B shares of the Canadian Industrial Alcohol Company. Will they sell at the same price? Should I take up the rights to the new B shares?

The only difference between the new B shares of the Canadian Industrial Alcohol Company and the A shares lies in the fact that the B stock will be non-voting, and the company will be controlled by the A shareholders. Thus you can see that the B stock will change hands at very much the same figure as the A stock. The dividends on both classes of stock will always be the same.

It is probable, though, that the A stock will always sell a point or two higher than the B stock, as those already holding large blocks of the A stock will probably want to acquire further shares with voting power, rather than those which are non-voting. Whether you should exercise, or whether you should sell the rights to the new B stock depends simply on your financial position. If you take up the rights, you will be making what is in our opinion an attractive long hold business man's investment.

Investment List

This year I came into a small fortune under my uncle's will and have invested about $58,000 of it, and would be glad of your opinion as to my selection. In the event of another big European war, how would my securities be affected as to interest? The following are my investments:—

1. $10,000 Lake St. John Power & Paper, 1947—6½ per cent., 4 year, 1st mortgage at 100, yield 6½ per cent.
2. £2,000 Gov't. of Brazil, 1945—4 per cent. bonds (costing $5,875) yield 6.81.
3. $3,000 Montreal Coke, 1947—5½ per cent. at 101, yield $5.45.
4. $3,000 Fraser Coy. Ltd., 1950—6 per cent., at 100, yield 6 per cent.
5. $3,000 International Power, 1957—6½ per cent. at 101, yield 6.45.
6. $2,000 Howard Smith Paper, 1941—7 per cent. at 105, yield 6.67.
7. $7,000 Argentine, 1961—6 per cent. at 100, yield 6 per cent.
8. 500 shares Manufacturers Finance Corpn. costing $4,250, yielding 9.45 per cent.
9. $3,000 Gatineau Power, 1956—5 per cent. at 98, yield 5.10 per cent.
10. 100 shares at 100 Canadian General Investment Coy. yielding 6 per cent., $10,000.
11. 2,500 shares Premier Gold costing with commission $5,740.08, yielding 32 per cent. or par.

P.S.—The only unwise investment here is, in my opinion, No. 8, the Manufacturers Finance, which, if I sold now, I could only get about 6.50. What do you think of the future of this company? At present price I have already lost about $1,000 in the transaction.

Your bond holdings show a good diversification, and are as secure from the possibility of disaster through war as any which might be selected. The possibility of war is remote. But the same possibly was said in 1913. The effect of war on industrial bonds would depend in a large degree on the location and duration of the war. Certain of the utility companies might suffer, but usually industrial companies are given an impetus by the extraordinary demand for products of all kinds. Brazil, as you probably know, is rapidly progressing, and the bonds of its government should not be affected adversely unless the war affected directly the government of the country. The same may be said for the Argentine.

The Manufacturers' Finance is a speculation which is an incongruous investment for you alongside the conservative character of your bond investments. We think that you would have been wiser to have selected any or a number of the standard common stocks in the Canadian market. We mean by standard stocks such stocks as Canadian Pacific Railway, Consumers' Gas Company of Toronto, Montreal Light, Heat & Power Co., Shawinigan Water & Power Company, City Dairy, Toronto, etc. Utility investments of a slightly more speculative nature would include Winnipeg Electric, Power Corporation of Canada, etc. A utility speculation is the B stock of International Utilities. International Utilities, as you doubtless know, is interested in the development of your own city and province. You yourself should be in a position to determine whether or not progress is being made by the company.

The long term outlook for Premier Gold is about as good as can be expected from any gold mining company. The company, we understand, is taking steps to assure continuous development as the old veins and old mines peter out.

A. W. Chase

One of our clients, who holds preferred stock of the A. W. Chase Co., Ltd., purchased a year ago for $100 a share, wishes to know whether or not it would be advisable to sell. What was the market value when he purchased? Has the company paid dividends regularly, and what are the future prospects?

We are not very favorably impressed with the 8 per cent. preferred stock of the Dr. A. W. Chase Medicine Company. The fact that the market price for this stock is so much below par indicates that a great many other people lack confidence in its future. The only present evidence against the stock, however, is the fact that the earnings dropped about 15 per cent. in the fiscal year ended last April 30th, compared to earnings in the fiscal year ending April 30, 1926.

Stock in this company never has been a conservative investment. Under favorable circumstances profits are large and there is no special reason for thinking that the company will not be able to pay its preferred dividends. On the other hand, the cost of financing was somewhat large and the company, therefore, must pay interest in the form of dividends on a considerable sum which was never put into the business. The market for the stock is weak because it is not listed, and there is no great demand for it. A listed stock is always more desirable because of its marketability.

$25,000 to Invest

I have about $25,000 to invest, what would you suggest?

For your investment of $25,000 we would suggest that you divide the money almost equally between bonds, preferred stocks, and common stocks. Of course the yield on a common stock at the present time is somewhat low, but those with high yields are usually so speculative that there is slight chance of appreciation in value. Therefore, we are suggesting a number of common stocks which while giving a low dividend or no dividend at the moment, show every chance of appraciation. These combined with the industrial bonds and preferred stocks would give you a yield as good as or perhaps a little better than government bonds.

The bonds which we suggest are:

Canada Cement,
Port Alfred Pulp and Paper,
Lake St. John Pulp and Paper,
Montreal Coke & Manufacturing,
Provincial Paper Company.

The preferred stocks we might suggest are those of the:

Tuckett Tobacco Company,
Famous Players Canadian Corp.,
Canadian Canners First Preferred,
Alberta Grain Preferred,
Hamilton Dairies Preferred,
McKinnon Industries Preferred.

The common stocks which we would suggest as ones in which there are interesting possibilities are:

Hiram Walker Limited,
Pacific Burt Company,
Consumers Gas,
International Nickel,
Building Products,
Service Station Equipment Co.

Consumers Gas is a high-grade utility company with an excellent record and good future. This stock might reasonably be rated with a good many industrial bonds.

We also are wondering if you might not be interested in acquiring a few shares of Standard Bank of Canada. This bank is doing excellently. The management is competent and aggressive and greater progress may be expected in the near future. Of course before one purchases a bank stock, it is well to remember that banks are prohibited by law from loaning money on their own stock. Therefore, you cannot buy such stock on margin and cannot use it as collateral for a loan. There is, of course, also the double liability clause of the Dominion Bank Act.

International Preferred

I purchased, last summer, $500 International preferred 7 per cent. stock, and would appreciate your advice as to buying $500 additional stock. I carry $20,000 life insurance, besides the following securities, which are fully paid for, and my income from my own earning is sufficient to live on.

C.P.R., 12 shares.
Hollinger, 35 shares.
Bell Telephone, 30 shares.
English Electric, $1,000.
Victory Bonds, 1927, $1,000.
City of Winnipeg, 1950, $1,000.
Prov. Ont., 1942, $1,000.
City of Edmonton, $500.
Pedlar People of Oshawa, $1,000—8 per cent.
Mount Royal Hotel, 6 per cent. stock

Our suggestion is that the $500 you propose placing in the 7 per cent. preferred stock of International should go into some good common stock which has a chance of appreciating in value. We make this suggestion in view of the fact that you say that you have an income which is sufficient to provide the necessaries of life.

Your $500 would buy 5 shares of Montreal Power or Shawinigan Water & Power. These are standard common stocks on which there is a low yield at the moment but the average return over a term of years probably would be satisfactory. Another common stock of a more speculative tinge but which is promising is that of Winnipeg Electric or that of Winnipeg Electric holding company, Power Corporation of Canada.

English Electric Company has not had a very satisfactory experience in Canada so far but it is fair to assume that with the company prosperous and the demand for electrical equipment constantly growing, the investment will be better.

The 8 per cent. bond of the Pedlar People of Oshawa is a good industrial bond.

The Mount Royal Hotel stock has been an unsatisfactory actor in the past but for the future the position of the stock should improve. Present prices seem below intrinsic value. Therefore, the stock looks like a hold but it is speculative.

Your holdings in C.P.R. and Bell Telephone are eminently satisfactory and we think that the stock of Hollinger Mines should improve although its action in the last six months has not been entirely satisfactory. Your municipal bonds are satisfactory.

On the whole, the criticism which might be made of your list of investments is that you have concentrated somewhat too much perhaps, in the preferred stocks and bonds while you should have invested more in such standard common stocks as C. P. R., Montreal Power, Shawinigan Water & Power, Consumers Gas Co., Bell Telephone Co., and other stocks which sell on a low yield basis but which appreciate in value as earnings of these companies increase.

Alberta Pacific Grain

What is your opinion of Alberta Pacific Grain?

The common stock of Alberta Pacific Grain Company is a stock which is likely to fluctuate considerably from year to year, owing to the fluctuations in the amount of business which the company will do—the size of the Western Canada grain crop cannot be regulated. However, you do not appear to have paid too much for the stock at this time in view of the well authenticated report that the company is earning from ten to twelve dollars per share on the common stock.

Merits and Demerits of British Politicians Under Microscope

By JOHN A. STEVENSON

The Labor party has now been for nearly a decade the second strongest political organization in Britain and to-day, under the leadership of Ramsey Macdonald, forms the official Opposition at Westminster. But it is far from a harmonious and united body, and on the slightest provocation, the fissures, which mar its solidarity, are sharply revealed. Mr. Macdonald has, however, regained his old ascendancy as a parliamentarian, and his speech on the Simon Commission, which is to revise the constitution of India, struck a high note of disinterested statesmanship which elicited general commendation. But his health is very poor, and he lives in such constant peril of a permanent breakdown that it is doubtful if he could stand the strain of another general election or again assume the heavy responsibilities of office.

He is now getting tenderer treatment from the extremists of his own party, who regard him as fundamentally a Conservative, and a year ago were bent upon harrying him out of the leadership, and at present there is no indication that anything but reasons of health would compel his resignation. But the latter contingency has always to be contemplated and there is continual speculation about his probable successor.

Philip Snowden

In point of ability and experience, Philip Snowden has the best claims to the reversion of the leadership, but he is much more obnoxious than Mr. Macdonald to the left wing of the party, and in all probability, they would be able to oppose successfully his selection. Indeed he has lately weakened his chances by his resignation from the Independent Labor party, a propagandist body, which in his opinion, has outlived its usefulness and should be dissolved. J. H. Thomas, the leader of the railwaymen, is in much the same boat as Mr. Snowden, and accordingly the most likely successor to Macdonald would be Arthur Henderson, who is now Chief Whip of the Labor party, and is generally respected, not as the possessor of a meteoric intellect, but as a safe and honest politician.

There are in the ranks of the party some able young men like Arthur Greenwood and Mr. Maxton, who have great potentialities, but they lack the necessary experience and cannot at present be considered for the leadership. Mr. Wheatley, the leader of the Clydeside group, who was one of the few real successes of the Macdonald Ministry, has lately come under a cloud as the result of his failure to secure a favorable verdict in a libel suit which he brought against his Conservative opponent at the last election. The latter had made specific charges reflecting upon Mr. Wheatley's business and political integrity, and when a jury declined to say that they were false, Mr. Wheatley's prestige was seriously affected, and it is rumored that he will retire from public life. As a result, his Clydeside allies have lately been reduced to a mood of comparative tameness, and the more conservative element in the party has assumed control.

Economic Upheaval

The truth also is that the shrewder leaders of the Labor party well realize, largely as a result of their administrative experience during their brief spell of office, that any attempt to force in a few years upon an ancient society like Great Britain, the wholesale drastic changes suggested by official program of Labor, could only result in an economic upheaval and confusion which might take the country far along the road to permanent ruin, and they are trying to enlist the confidence of middleclass elements who are dissatisfied with the Baldwin Government, by giving assurances that they contemplate not a social revolution, but progressive reforms by gradual instalments.

Some of them, indeed, notably Mr. Snowden, view with grave misgivings as electorally dangerous, the scheme adopted by the Labor party at its last national conference for a special surtax of incomes earned on investments of £500 per annum and upwards. The rate suggested for the special surtax is two shillings in the pound, and the committee which recommended the scheme placed the estimated yield at 85 million pounds per annum. In financial and business circles, the proposed surtax excites grave apprehension, and it is contended that its first effect would be to drive a great deal of capital out of the country. Again it is pointed out that distinction drawn between "earned" and "unearned" incomes in connection with the proposal is liable to be false and unwise where larger incomes are concerned; in the huge incomes, earned by certain lawyers and doctors of the foremost rank, there is always a large "unearned element," which could be set down as "rent of opportunity plus rent of ability." It is also pointed out that if new revenues have to be raised, it would be much cheaper and more convenient to use the existing machinery of the income tax, the supertax and the death duties.

Sharp Controversy

Furthermore, even among the ranks of Labor, there is a sharp controversy about the eventual disposition of the money which would be raised by this surtax. Mr. Snowden and his friends are insistent that it must be devoted to the reduction of the burden of the public debt, but the prime sponsors of the plan argue that it should be utilized by the removal of indirect taxation on the necessaries of life, new social services and the provision of resources for constructive schemes of relief work. Attempts have been made to reach a compromise between the two schools of thought, but the New Statesman, the chief organ of the intellectuals of the Labor movement, condemns the plan wholeheartedly in the following terms:

"To sum up, we are bound to say that we can see no reasonable justification for this proposed surtax from the point of view, either of the poor or the rich, of the employer or the workman, of the taxpayer or the receiver, of the dole—or even from that of the party interests of the Labor party itself. The idea of the Capital Levy was fundamentally sound; its only weakness was that it required the assent and willing cooperation of the banks and of the financial and industrial magnates—which, in our opinion, ought to have been given. But the surtaxes are a very different proposition. It is an ill considered scheme which should be abandoned as soon as conveniently possible."

The saner Labor leaders are therefore, at the present moment trying to pose as moderate progressives and their policy seems to be yielding satisfactory results from an electioneering point of view. They have just captured a seat from the Conservatives at Northampton, although the Liberal candidate split the anti-government vote by securing more than 9,000 votes, and all indications point to the probability that at a general election they would make heavy gains in the industrial districts of the north. But political experts still regard their chances of securing a clear majority in the next Parliament as exceedingly slim. They have obtained no serious foothold in most of the purely rural constituencies, and if a line were drawn from Bristol to Scarborough in Yorkshire, in the territory lying south of it, which includes about half the electoral divisions, they could not count upon a score of seats outside the industrial area of East London. Such a situation imposes a severe handicap upon the Laborites and the franker of them admit that they will do exceedingly well at the next general election if they secure 250 seats which would still leave them short by 60 of a clear majority.

Liberal Hopes

Liberal hopes were raised at the beginning of the year by the return to active politics of two able Liberal leaders, Sir Herbert Samuel and the Marquis of Reading, who had finished his term as Viceroy of India. Sir Herbert assumed charge of the party organization, and soon managed to infuse into it some new life and spirit which it badly needed. There followed some unexpected and very welcome successes at by-elections, and much talk was heard about a great Liberal revival which was at hand. But later by-elections have not confirmed these roseate hopes and Liberals now sorrowfully admit that they can see little prospect of displacing Labor in the affections of the industrial voters, and that their only chance of extensive gains lies in the rural constituencies where they are making great play with Mr. Lloyd George's new land program.

The best political experts, indeed, think that the Liberals cannot do any better than secure 100 seats at the next general election, and be in the position of holding the balance of power and dictating terms for its support to either the Conservative or Labor parties. Lord Grey, Sir John Simon, and the wing of the party, which clings to the drooping banner of Mr. Asquith, would undoubtedly prefer to help the Conservatives retain office rather than put Labor in power again, but Mr. Lloyd George and the more radical wing of the party, who now control the war chest, and through it the party organization, are willing to make a deal with Labor. Mr. Lloyd George is still the best platform "draw" in Britain, and is the most formidable single critic that the Baldwin Government has to face, but he seems unable to recover the confidence of any large body of men and a malodorous atmosphere which no explanations can dissipate, clings to the huge campaign fund which he has accumulated, and placed at the disposal of the Liberal party. It is considered unthinkable that the Labor leaders would agree to serve under him as Premier, and he can be ruled out as the possible head of a Liberal-Labor coalition. But such a development is being freely discussed as the probable aftermath of the next general election, and undoubtedly influential chieftains, both of the Labor and Liberal parties, are preparing the ground for it.

Wells' Suggestion

Mr. H. G. Wells was lately given access to the columns of the Daily Express by Lord Beaverbrook to discuss the political situation, and he declared that the fruit of the next election should be a government of National Progress, composed of the best men in the Labor and Liberal

(Continued on page 16)

When Women Invest

One Asks Virtue of Nickel for Hold; What is Happening in Stock; Two Other Stocks

A WEEKLY FEATURE

I bought 100 shares of International Nickel at 78 and sold at 85¾. Would you think it wise to buy again at market price and hold?

I would also like to buy one or two low priced common stocks of some kind and wondered if you would suggest something.

First as to Nickel.

The present price is high if one judges values of the stock by the immediate earnings of the company. Looking ahead three, five or ten years, the prevailing high price for the stock may be justified.

It is a stock subjected to great pool operations. This explains the somewhat violent fluctuations from time to time. These pools buy on the way up and, when a period of hesitancy appears, selling begins. The selling tends to depress the price. Loading a few additional thousand shares on the market in the last stages of a recessional movement help the backward slump, and the pools on the long side are able to buy new stock more cheaply.

Is an Erratic Stock

These operations also tempt traders to sell Nickel short. They sell at high prices, believing from experience that they will be able to deliver with stock bought later at lower prices. Sometimes the shorts suffer, and sometimes they gain.

Is Nickel, therefore, a stock for a woman to hold, especially if she is somewhat remote from Montreal or Toronto, or from New York, where the really big operations are taking place? Is it, above all, a stock which a woman should hold as a speculation, purely a trading proposition?

The Financial Post has great faith in the ultimate outlook for International Nickel. We are constantly suggesting to holders of the stock that they hold on for a number of years. But it is one thing to buy a fundamentally sound stock such as Nickel for a hold of several years and quite another thing to buy it in the hope that one will be able to guess and take advantage of the quick turns in the market in a stock with such a history as that of International Nickel.

Building Products common at 35 is an interesting and attractive speculation. The company, it is understood, will show earnings of nearly $4 the share. It manufactures and markets what are virtually essentials to national progress. The company's field is growing and the country is prosperous.

International Power is another common stock which is attractive for anyone patient enough to hold it. The company controls Porto Rico Railways, Newfoundland, Light & Power, Bolivian Power, Demerara Electric, San Salvador Electric Light; it owns outright the Venezuela Power Co. The executive and managerial personnel is capable.

Mackay Companies

I have a client who bought a number of shares of Mackay common at [illegible] and since the purchase of same the stock has declined steadily and she has asked whether she should hold the stock or take her loss. What would you advise? Is the stock likely to advance?

We presume that your enquiry dated January 3rd refers to the common stock of Mackay Companies. This stock recently was selling at 120, but later declined a few points.

The weakness in the stock in the last year has been due to the fact that a great many people believed that the radio would compete directly with the cable companies. It is evident, now, however, that a different attitude prevails in the public mind.

Executives of Mackay Companies have told The Financial Post that the outlook for the companies is excellent. The companies believe, and have reason to believe that the cables will continue to do a good business. They also are taking steps which are promising to develop materially the radio business of the Pacific and later on, on the Atlantic Ocean. We would also direct to your attention the fact that Mackay Companies control the Postal Telegraph Company which is a profitable institution in the United States.

"ABITIBI"

Our association with the financing of Abitibi-Spanish River and controlled companies extends over the past ten years.

The securities of these companies have an excellent record as regards investment safety and market value.

The first mortgage bonds of certain of the newer newsprint properties controlled by Abitibi, such as Manitoba Paper 6½'s, Murray Bay Paper 6½'s and Ste. Anne Paper 6½'s, in our judgment represent bargains which experienced investors will be quick to recognize. As underlying securities of the new Abitibi consolidation, these bonds have an enhanced investment value.

We offer limited amounts of these securities at prices which make their yields very attractive by comparison with investments of similar high grade.

Prices and full information will be submitted upon request.

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Selected Securities for January Investment

Selected to afford desirable diversification, and to meet the special requirements of individual investors, the January list now ready gives such detailed information on each security as makes prompt decisions entirely feasible. A copy will be sent on request.

Please ask for List
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The business of Canada Cement Company, Limited has been in operation since 1909 and has fully demonstrated strong earning power. Its bonds are well secured by assets and offer an attractive investment opportunity.
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“CANADA HAS REACHED A HIGH AND ENVIABLE POSITION”

A Comprehensive Review of Canadian Business During the Past Year and Outlook for the Future

The President and General Manager of the Canadian Bank of Commerce Address Annual Meeting of Shareholders

Particular Reference to the Great Mineral Development

The Bank's Assets Increase by $46,000,000

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the Head Office of the Bank in the City of Toronto on January 10th. The results of the year's business, as shown by the report submitted by the Directors, were as follows:—

Balance at credit of Profit and Loss Account brought forward from last year	$1,280,899.27
Net Profits for the year ending 30th November, after providing for all bad and doubtful debts	3,726,910.22
	$5,007,809.49
Appropriated as follows:—	
Dividends, at twelve per cent. per annum	$2,400,000.00
Bonus of one per cent., payable 1st December	200,000.00
Dominion and Provincial Government Taxes	475,000.00
Donations and Subscriptions	55,000.00
Transferred to Pension Fund	203,884.74
Written off Bank Premises	250,000.00
Balance carried forward	1,423,924.75
	$5,007,809.49

After the reading of the Report, the President, Sir John Aird, and the General Manager, Mr. S. H. Logan, addressed the meeting.

THE GENERAL MANAGER REVIEWS THE BANK'S STATEMENT AND COMMENTS UPON GENERAL BUSINESS ACTIVITIES.

It is a pleasure to be able to report to the shareholders at the end of another year of increasing activity in business that it has been a prosperous one for the Bank. We find a double source of satisfaction in noting that its profits were moderately larger and its losses small. The volume of the Bank's business has shown a gratifying increase all along the line, as is evidenced by the figures of total assets, which amount to $558,709,000, the largest figures this Bank has ever shown, and an increase of over $46,000,000 for the year.

GREAT INCREASE IN DEPOSITS

There was little change in our note circulation, but our non-interest bearing deposits increased by over $22,000,000 and our interest-bearing deposits made the healthy growth of approximately $12,000,000, making in all for the year an increase in our deposits of about $34,000,000. Advances under the Finance Act increased by $4,000,000, but this is a healthy sign, reflecting greater activity in business. Balances due to other banks abroad increased by over $6,000,000, but this is only a temporary growth, as these balances fluctuate considerably, more particularly at the season of the year when the grain business is at the peak. Total liabilities to the public at $516,480,000 compare with $470,517,000 a year ago. There was no material change in the liabilities to shareholders.

LIQUID ASSETS HIGH

Our holdings of gold and Dominion notes amount to $49,294,000, as compared with $47,731,000 a year ago, and our total holdings of cash, including notes and cheques of other banks and bank balances, stand at $102,715,000, as compared with $81,519,000 in the last balance sheet. There is a small increase of slightly over $3,000,000 in the item of securities held, which now stands at $81,686,000, and total call loans are $85,064,000 as against $78,054,000 last year, an increase of over $7,000,000. Total liquid assets of over $270,000,000 show an increase for the year of $31,000,000, and represent 52 per cent. of liabilities to the public, or over 48 per cent. of total liabilities. Total current loans and discounts now stand at $254,897,000 or $13,500,000 higher than last year, almost the whole of the increase having taken place in Canada. The other items of the balance sheet show no important changes.

VALUE OF FIELD CROPS

We have passed through a very interesting period in which the prevailing tone has been one of optimism. In a country such as ours, where so much of our prosperity depends on the results of agriculture, it is gratifying, notwithstanding the many disappointments due to weather, pests and other hazards of the agricultural business, to note that the Government places the total value of our field crops at $1,141,000,000 an increase of $36,000,000 for the year, and that the cattle market to-day is the strongest since 1920. The total annual value of all agricultural products, including live stock, now amounts to about $1,750,000.

LUMBER AND PAPER

There has been over-production in the lumber industry, and until this situation is remedied and a greater demand arises for lumber and lumber products, it will be difficult for operators to make satisfactory profits, and lumber with an annual production of $125,000,000 is, naturally, one of our important industries. The pulp and paper industry, now one of the greatest in Canada, with an annual production of about $225,000,000, has passed through one of the most highly competitive years known. While the production of newsprint is about 10 per cent., higher than a year ago, the mills are running only at about 85 per cent. of capacity, but although there may be over-production from time to time, the world looks to this country to supply a large percentage of its requirements.

CONSTRUCTION ADVANCES

The year 1927 has witnessed the greatest construction programme in this country since pre-war days. The total value of construction contracts awarded was nearly $420,000,000, as compared with $373,000,000 for 1926. Speculation is noticeable to some degree in the house-building industry, but the construction work now in progress and that which is in contemplation must be taken as a practical demonstration of a healthy economic situation.

While industrial conditions have been somewhat spotty, the situation is better, generally speaking, than at any time since the war ended. A total annual production of approximately $3,000,000,000 from our industrial plants indicates that their output has reached considerable magnitude.

PRODUCTION OF MINES

In mining, the annual production from which is about $250,000,000, we are witnessing the greatest activity and world-wide interest in the history of Canada. While for many years we have produced 85 per cent. of the world's nickel and asbestos, and have been large producers of silver, lead, zinc, coal and copper, it is not only in recent years that we have attained an important position as a gold producer, with prospects of greatly increasing the amount during the next few years. Important discoveries of copper, lead, zinc and gold during 1927 mean a great deal to Canada, and when it is realized that this country has already in the past forty years produced from its mines over $4,000,000,000, the recent rich discoveries and the successful development of some of our existing mines mean that the mining industry should add materially to the wealth and prosperity of this country for years to come.

CANADA'S WATER POWER

In recent years Canada has become known as one of the great sources of water power of the world, and undoubtedly this resource has been one of the most important factors in the development of our industrial and social life. It has been estimated that the development of water power in the world has increased by more than 40 per cent. in the last six years, to a point where it has now reached the large total of about 35,000,000 h.p. The greatest increase, however, has taken place in the United States and Canada, our own development having nearly doubled since 1920, and this country now has hydro-electric plants that furnish power equal to about 15 per cent. of the total developed water power of the world. A publication recently issued by the Dominion Government states that the harnessed rivers in Canada, running inexhaustibly from year to year, are capable of producing power equivalent to 27,000,000 tons of coal used in steam plants of average modern efficiency. The extent and location of Canada's water-power resources have been of incalculable value to the nations, for they have brought about low costs in mining and in all industries. As further rapid development is expected to take place, water power should continue to act as a vital force in the upbuilding of our economic structure and so be of material assistance to us in broadening the foreign markets for our manufactured products.

EVIDENCE OF PROSPERITY

Canada Has Been Accumulating Wealth. Our People Own Over Three Billions in Government Bonds

Canada has certainly been handsomely endowed with natural resources, and there is every indication that Canadians have been accumulating wealth, especially within the past twelve years, it being estimated that our people own over $3,000,000,000 in bonds of Canadian Governments and municipalities, and foreign Governments alone, which compares with about $300,000,000 in 1914. In addition to Government and municipal bond holdings there are, of course, the deposits in our banks and financial companies, industrial bonds and stocks, life insurance, mortgages, etc., which would aggregate several billions more. The principal source of this wealth is our agricultural, forest, mining, manufacturing and other production; but it must be kept in mind that a vast amount of new wealth came to Canada as a result of the expenditures for our products during the war and large investments by United States interests following the war, the latter being estimated at not less than $3,000,000,000. These expenditures have added most materially in recent years to our prosperity. For the continuance and increase of this prosperity we must look to new developments, greater production, enlarged markets abroad and greater immigration.

SPECULATIVE COMMITMENTS

The trade of our country is progressing satisfactorily. There is no evidence of a boom, nor does anyone desire the conditions which accompany a boom. There has been considerable speculation in stocks which has created the impression that general trade is more active than it really is, but it is important for speculators to hear in mind that they should not make commitments beyond their ability to pay. Overtrading can only lead to disaster, and brokers can greatly help maintain a condition of sanity in the stock market by insisting on the maintenance of very substantial margins.

BUSINESS IN FOREIGN FIELDS

There is included in the review of business conditions to be published as part of the Bank's report, a short outline of the business situation in each country where we have branches. We have cause for satisfaction in the favorable results of our business in foreign fields, in the steady progress made by the branches outside Canada, and in the efforts we have made to advance the position of Canada in international trade. Canada has now reached the stage where its development and the degree of its prosperity are determined largely by world conditions. It is, therefore, encouraging to note that the disastrous effects of Currency inflation in Continental Europe have been largely mitigated by sounder monetary policies, an increasing trend toward the gold standard, a more stable financial position, and better business conditions. There probably has been no more hopeful sign for the future than that economists and industrial leaders from many parts of the world have met during the past year at conferences held in Geneva, and have discussed frankly the economic problems that have hindered readjustment to the changed conditions of world trade. There are still signs of economic strain in the Old World, but happily much progress has been made in relieving the conditions of former years. A world at peace and gradually adding to its purchasing power will be of great benefit to Canada, which depends to a large extent upon foreign markets.

GENERAL BUSINESS SOUND

In conclusion—the general business situation is sound, the purchasing power of the people of Canada is greater than it has ever been before, and the development of the natural resources of the country proceeds apace. These conditions make for prosperity and the general frame of mind of the public is genuinely optimistic. This creates an ideal atmosphere for future progress, and, if we will but give painstaking attention to our business and avoid excesses such as overtrading or speculation, we in Canada can face the future with confidence and certainly look forward to another year of progress and prosperity.

THE PRESIDENT SURVEYS OUR ECONOMIC POSITION — HAS CONFIDENCE IN CANADA AND CANADIANS.

The year 1927 has been an eventful one for the Dominion of Canada. It was, as you are aware, the Sixtieth Jubilee of Confederation. This anniversary has been celebrated all over the Dominion in many ways, but the outstanding feature was undoubtedly the joint visit of His Royal Highness, the Prince of Wales, and of the Prime Minister of Great Britain, the Rt. Hon. Stanley Baldwin. The Prince of Wales has visited Canada on four different occasions, and the tenor of the addresses delivered from time to time indicates that this country is fortunate in having a representative of the British Crown so thoroughly conversant with and interested in its affairs. The visit of the Rt. Hon. Stanley Baldwin is the first ever made by a British Prime Minister during his term of office and has attracted attention to the Dominion of Canada, not only from the people of the British Empire but also from the other nations of Europe, thereby emphasizing the advantages of this country for new settlers.

SIXTIETH ANNIVERSARIES

Another interesting celebration was the opening of the Peace Bridge over the Niagara River, connecting the United States with Canada, which took place on August 7th. This was attended by many notable men from both countries and from Great Britain, including His Royal Highness, the Prince of Wales; the Rt. Hon. Stanley Baldwin, Prime Minister of Great Britain; Mr. Charles G. Dawes, Vice-President of the United States; Mr. Frank B. Kellogg, United States Secretary of State; Governor Alfred E. Smith of New York State; the Rt. Hon. William Lyon Mackenzie King, Prime Minister of Canada; the Hon. W. D. Ross, Lieutenant-Governor of Ontario; the Hon. G. Howard Ferguson, Prime Minister of Ontario, and many others.

A further event particularly noteworthy in the affairs of this Bank was that the past year witnessed the Sixtieth Anniversary of its establishment. It opened for business in this city on 15th May, 1867.

A YEAR OF PROGRESS

The confident anticipations with which this country entered the year 1927 were not disappointed. The year proved to be one of active business and definite progress in several directions. The harvest was good, though, the quality of some of the western grain crops was adversely affected by untoward weather in the harvesting season. The outlook for the cattle industry is bright, prices having risen substantially, with an excellent demand, particularly for feeder cattle. Fodder, except oats in some districts, is plentiful. The striking feature of the market at the preesnt time is the strong demand for cattle from the United States at excellent prices, despite the tariff, and there is a danger that this will lead to too great a reduction in the breeding herds of Canada. The fishing industry is showing expansion, particularly the fresh fish trade of the Province of Nova Scotia. An excellent sign is the establishment of a School of Fisheries at Dalhousie University, Halifax, for the scientific study of fishery problems. Much could be done for the dried fish industry of the Maritime Provinces and Newfoundland by an improvement in methods of curing and in the quality of the product.

GREAT MINERAL DEVELOPMENT

Mining Has Proceeded Apace. New Fields Opened Up. Foreign Capital Heavily Interested

The development of the mining industry I referred to last year has proceeded apace. Two notable events in this connection have been the opening of the Noranda smelter in the Quebec gold-copper field and the decision of United States interests to develop the Flin Flon copper-zinc properties along the northern part of the boundary between Manitoba and Saskatchewan. It is reported that a mill and smelter are to be erected immediately and that large sums of money are to be spent in the development of the property, including the building of a railway to connect with the Hudson's Bay line from The Pas. The development of the Turner Valley oil-field in Alberta is being actively prosecuted and considerable work is going on in other promising districts of that province. It is unfortunate that the real progress being made in the development of Canadian mineral resources is accompanied by speculation on a large scale, which brings in its train the usual evils and does little or nothing to advance the true interests of mining.

WESTERN INDUSTRIAL DEVELOPMENT

It is not generally understood in Eastern Canada how far the springing up of local manufacturing industries and such developments as those just referred to are hastening the time when the interests of the Prairie Provinces will no longer be almost purely agricultural, and when they will play a most important part in Canada's industrial activities. In 1926 the factories of Manitoba turned out manufactured goods valued at $125,000,000, those of Saskatchewan, $40,000,000, and those of Alberta, $75,000,000. This total of from 240 to 250 million dollars represented the products of about 2,150 manufacturing establishments in the three Provinces, and is the outcome of an investment, in round figures, of $220,000,000, and the payment of wages totaling $42,000,000 to over 25,000 employees. These developments are bound to increase, and must result in a lessened economic dependence of the West upon the East.

FOREIGN TRADE POSITION

Increase in Imports, Slight Decrease in Exports. Newsprint Export Increases by Over Ten Million

During the fiscal year ending last March the foreign trade of Canada again showed an increase in value, though a slight one. The increase was, however, entirely in imports, exports showing a slight decrease, so that the surplus of exports over imports was reduced from $400,958,000 in the previous year to $236,680,000. These figures show that the change in trade to which I referred last year is still in progress, and the figures for the first half of the current fiscal year confirm this.

If we examine the detailed figures for the twelve months ending September last, we obtain some rather surprising results. Exports of the products of the soil show the following decreases: wheat, $28,508,000; wheat flour, $9,993,000; oats, $11,095,000; butter, $2,061,000; cheese, $5,846,000; hay, $2,268,000; fresh apples, $1,919,000; cattle, $5,550,000; bacon and hams, $9,781,000, a total loss in agricultural exports of $77,021,000. In the case of cheese and cattle we can account for the decreases as being partly a matter of price, and the reduced exports of grains are to some extent offset by increases of $3,141,000 in barley and $4,100,000 in rye. The decrease in wheat exports may also be partly accounted for by a larger carry-over of the old crop in 1927 than in 1926. Undoubtedly, however, it is partly due to the untoward weather conditions which prevailed in the harvesting season of 1926, and to the fact that other exporting countries, the United States, Argentina, and Australia, had excellent crops that year.

EXPORTS AND IMPORTS

The continued depression in the lumbering industry is evidenced by the decrease of $8,072,000 in exports of such products as laths, boards and shingles. On the other hand exports of pulp wood increased $3,200,000, but this was almost balanced by a decrease in pulp. There was a large increase in exports of newsprint, amounting to $10,382,000. Products of the mines show the following changes: Increases: nickel, $1,818,000, and aluminum, $4,696,000, the latter item presumably reflecting the establishment of the new industry at Arvida. Decreases were $5,629,000 in gold ore, dust, etc., and $1,077,000 in lead. Silver shows an increase in quantity, but a decrease in value, owing to lower prices. Automobiles and their parts show a decrease of $4,216,000 in exports and an increase of $12,460,000 in imports. It is understood that the latter increase represents principally increased purchases from the United States of makes not built in Canada.

Under the heading of imports increases have been general, and the list of even the larger changes would be too lengthy to give in detail. The following articles show important increases: Coal, both anthracite and bituminous, fresh, dried and preserved fruits, whiskey, Indian corn, aluminum, farm implements, machinery in general, crude petroleum, settlers' effects, silk and undressed furs. Crude rubber and raw cotton both show an increase in quantity, but a considerable decrease in value owing to lower prices.

CONFER ON IMMIGRATION

Suggests a Conference With Government to Reach Common Conclusions on Aims and Methods

During the past year the question of immigration has been the subject of a great deal of discussion. Undoubtedly what this country most needs to accelerate the prosperity of the past year or two is a considerable influx of new settlers of the right type. We know that the Federal Government, the Provincial Governments, the two great railways and other corporations have each formulated their own policies for this worthy purpose, but unfortunately there does not seem to be unanimity among them as to the best methods to adopt, or the class of people desired in Canada.

We would suggest, therefore, that it would be wise if responsible and well-qualified representatives of these various governments and other bodies interested in the matter were called together in conference to reach a common conclusion as to aims and methods, and particularly to devise some plan to secure for Canada a larger share of settlers of British race. The people of Great Britain appear at the present time to be more inclined to settle in Australia, New Zealand and South Africa than in Canada. This seems an unnatural situation for which there must be some reason, as Canada is geographically so situated that it ought to be the most attractive part of the Empire, particularly for the people of the Old Land.

There is no other country in the world which holds for the new settler so many advantages and so few drawbacks.

ADVERTISE CANADA'S ADVANTAGES

The “knocker,” however, is doing serious damage. Undue emphasis has been laid on damage to the crops by frost, drought and other causes, and low prices. While it is possible in every community for some people to meet with misfortune, yet it is regrettable that grossly exaggerated statements, and allegations of the widespread existence of crime, which can only be interpreted as reflecting a general situation in Canada, should be broadcasted to the world. Even if such conditions did occasionally exist, they are always promptly investigated by the local authorities, and proper remedies applied.

Canada has immense undeveloped resources in its agricultural lands, forests, water powers and mineral wealth, for farming, live stock raising, lumbering, manufacturing and mining on a larger scale than most, if any, other countries can presume to offer. Surely it would be wiser for us to advertise these many advantages rather than to proclaim to the world, as though it were a general condition, some unfortunate individual cases.

RELATIONSHIP EAST WITH WEST

In September last the chairman of the Board, the President and Vice-President, in company with the General Manager, paid a visit to the four western provinces, Manitoba, Saskatchewan, Alberta and British Columbia, stopping at Winnipeg, Edmonton, Vancouver, Victoria, Regina and Saskatoon. In all these cities we were received by members of the Government and representatives of important business houses, and addresses were delivered on subjects of general interest and on the relationship between the western and eastern provinces of the Dominion. Last year I referred to a visit which your directors had paid to the mining districts of Northern Ontario, and it is their intention to endeavor at least once a year to visit other sections of the Dominion. We believe that these visits will result in benefit to the country as well as to the Bank. They bring your directors into direct contact with the principal business men of the districts visited, and also afford an opportunity for the discussion of problems of banking and business.

BRITAIN A GREATER EMPIRE

Business conditions in Great Britain, it is a satisfaction to know, have shown considerable improvement since a year ago in many lines. It is realized also that what is known as the dole system is being gradually improved, having taken the form of a mutual insurance fund, the premiums being paid partly by the employer, partly by the employed and partly by the Government, the Government paying the smallest share and the employer the largest. The settlement of the differences between capital and labor also is now being seriously considered by committees representing both sides on the lines proposed by Sir Alfred Mond. There is no doubt that Great Britain has made splendid advancement in her position since the close of the Great War, and with a better understanding regarding the dole system and the labor question, her progress will be gradually accelerated. She has not only met her payments under the settlement of her war debt to the United States, but she is also practically carrying the war debts of the other nations that were engaged in this great struggle. A few years ago and since the war, some people were inclined to regard Great Britain as a decadent nation, but she is far from being this; indeed, the British Empire is a greater empire to-day than it has ever been. We have only to consider that she has come to the forefront during the past year in the engineering and scientific field by securing the world motorcycle speed record, the motor speed record, the world steam railway speed record, the world submarine speed record, the world steamship record, and the world aeroplane speed record, including the vertical aeroplane; and within the last month or so she has invented a process of manufacturing the highest grade of tool steel from iron products by means of wireless electric current.

STERLING AT PAR

The Recovery of the Pound Sterling a Source of Satisfaction to the Empire

On December 7th last the pound sterling arose above par for the first time since the fateful days of August, 1914, when for a few days it sold around $7 to the pound, only to sink to less than half that sum after the war was over. It has been a long and steady uphill climb for Great Britain, but she has won the day, and later in December sterling exchange rose sufficiently close to the gold point to permit of shipments of $34,822,000 in gold to be made from New York to Great Britain and other European countries. The recovery of the pound sterling is a source of real satisfaction to all citizens and friends of the Empire.

During the closing months of last year considerable shipments of gold were made from New York to Canada. These shipments were of a seasonal character, resulting from the large volume of Canadian grain and other exports to the United States, or financed in that country during the autumn months. The result is that the institutions responsible for the financing of these transactions find it cheaper to import gold than to sell the relative United States funds in the exchange market.

GOLD AND CREDIT

The month of December also witnessed a considerable movement of gold from New York to South America and parts of Europe, undoubtedly the result of loans made by the United States to these countries for the purpose of assisting in the stabilization of their currencies. These shipments have drawn attention to the extent to which the United States has incorporated her immense supplies of gold into her credit structure. Discussion has taken place as to whether she can or cannot spare some of this gold, some economists supporting one side of the question and some the other. It is pointed out that the ratio of gold held to the deposit liabilities of the banks in the United States has been steadily declining for some years, and that it is at the present time much lower than in pre-war days. This is regarded as an argument why the United States should seek to retain and perhaps even to increase its gold holdings. It is generally admitted by all sides that the credit available through the Federal Reserve Bank System could without any difficulty meet the situation presented by large gold withdrawals, and that this credit is not now being used, but it is pointed out that the system is definitely an emergency system and not intended for full use under ordinary conditions. However, this may be, it is my opinion that the mere existence of the facilities provided by the Federal Reserve System, coupled with the excellence of modern methods of communication and transportation, which make it possible to provide gold or exchange at short notice even in foreign countries render it unnecessary for the banks to carry such a large percentage of gold to liabilities as in the past. Despite the extraordinary growth of the credit structure of the United States in recent years, I incline to the view of those who hold that out of her present holdings of approximately 4½ billion dollars of gold and $500,000,000 of silver she could without endangering the soundness of her credit basis spare the sum of one billion dollars, and that the partition of this sum among the countries of Europe would go a long way towards bringing the world financial situation into better balance.

RATIO OF GOLD TO LIABILITIES

In Canada the Finance Act takes the place of the Federal Reserve System with equal efficiency, but with infinitely greater simplicity and economy. While Canada's return to the gold basis is comparatively recent and we have not had the experience of as many years with it as has the United States, yet I believe that time will reveal that under modern conditions and with the facilities of the Finance Act and the Central Clearing Fund we, too, can eventually manage with a lesser ratio of gold to liabilities than in pre-war days. Particularly will this be the case with the continued development of our gold and other mines, and if care is exercised by financial institutions to grant credit for legitimate and non-speculative business and enterprises only. The resources of the banks are at the present time ample for all the demands which may be made upon them for legitimate purposes. It will be noted on looking over the bank statements that only about 50 per cent. of the funds are employed in general business, the rest being utilized in exchange transactions, loans to governments and municipalities and investments in and loans upon securities, the latter enabling them to obtain a fair average return of interest and profit. This situation, of course, results from the lack of demand on the part of manufacturers and merchants for funds to carry on their businesses, and this in turn is doubtless due to the development of the natural resources of Canada providing increased supplies of capital. This process occurs every day, as for instance, when wealth derived from the mines in Northern Ontario and elsewhere in Canada is invested in the bond issues of industrial companies carrying on business in Canada, such as have been common during the past year. The new money thus obtained is in most cases used by the borrowers to pay off or decrease their bank loans, and their borrowing needs are thereby more or less permanently diminished.

INSTALMENT SELLING

Engaging the Thought of Financial Leaders. Results Can Only be Judged by Longer Experience

A great deal has been said and written during the past two years on the subject of selling by instalments, more particularly to those of the public who may be classed as consumers, as against those who may be classed as producers. An eminent authority in the United States has recently strongly endorsed the plan of instalment selling to the consumer. The experiment has been on trial only for about two years, and during the period nothing has occurred that may serve as a guide to what would happen in the event of a depression or reaction in business. In the late seventies and early eighties of the last century we passed through a considerable depression in business in Canada, and much credit had been granted to consumers, practically on a plan of instalment selling, which resulted in considerable losses to business houses and banks. The results of modern instalment selling to the consumer can therefore only be judged accurately in the light of longer experience.

THE OUTLOOK SEEMS BRIGHT

In the United States there has been evident in recent months a definite measure of recession from the high level of last year in several important lines of business. The situation of the agricultural community has, however, markedly improved of late, and this appears to have checked the measure of depression which seemed to have set in. Most observers are sanguine as to the present outlook. Undoubtedly the steady lowering of prices of manufactured goods in recent years has had an adverse effect on profits, and the problem of meeting this condition has been a difficult one for general business. Increased competition and lowered prices for finished products have lessened profits, as is seen by the published earnings of numerous corporations for the third quarter of last year, and the narrower margin of profit has not been sufficiently offset by an increase in volume. How far these conditions have extended to Canada, or are likely to do so in the near future, if the course of business here is to follow that in the United States, is a moot question. The level of wholesale prices seems to have held steadier here than in the United States during the past year, and the new wealth derived from the development of our national resources is undoubtedly a factor in our favor. It may be that these factors will be sufficiently powerful to offset any tendency to depression and to smooth the course of business over the ups and downs which are so frequent across the line. Certainly at the moment the outlook before us seems bright, the only ominous spot within the horizon being the prevalence of speculation in the stock markets. If that can be held within bounds our mood may well be one of tempered optimism. Certainly will this be the case if we recall for a moment the achievement of the past sixty years since this bank was founded and Canada became a Dominion.

CANADA'S ECONOMIC POSITION

The Future of Canada Will be Revealed on a Bright Page of History

In summing up I cannot do better, I think, than to quote from an article which I prepared in June last for one of the leading Canadian papers on Canada's Sixtieth Jubilee:

“Sixty years span a short space of time in the life of a nation, but for Canada they have been crowded with events which, still within the memory of most of us, have altered the entire economic structure of the country. The statesmen of '67 forgot prejudices, party affiliations and local interests in order that a national economic system might be established and the avenue opened to the splendid environment of to-day. We have witnessed great engineering feats providing for the most efficient transportation facilities. The watershed of North America, which lies within Canadian territory, has been tapped to supply cheap power in enormous volume. From a vast expanse of arable land there has been created an agricultural estate which supports over 3,000,000 people in a state of well-being that is unexcelled elsewhere.

“Adjacent to forests comprising nearly half of the world's most valuable soft wood area several thousand mills have been erected to provide annually lumber worth about $125,000,000, and to furnish over one-third of the world's supply of newsprint. Some of the richest mines in recent times have been developed along narrow stretches of what is now regarded as one of the greatest mineral fields known. More than 20,000 manufacturing plants have been built to produce goods valued annually at $3,000,000,000. Our currency system and our financial institutions have been developed along the soundest lines, affording a flexible monetary and credit system, available even in the most remote hamlets. Our laws have so been framed that the primary rights of every citizen, even the humblest subject, are spected, and it is open to every to acquire wealth and to retain against illegal aggression. And countries have learned of the qual of our products and now purch them each year to the value of $1,000,000,000.

“We have passed the stage of fr tier life, for we have reached a hi and enviable position in the wor economic organization; we have ing conditions that suit all classes people, even those of the most fa tidious tastes, and we still posse physical assets which are coun upon to supply the world with large share of its essential requir ments. We must continue to wo hard, and we should refrain fr undue speculation, because we sha have new problems to solve, arisi from difficulties which will be even a country endowed with all th material gifts it could reasonably de sire.

“If we continue to apply ourselv as earnestly as in the past, an maintain that spirit of unity fro which Confederation was born, Canada's future will be revealed on a brighter page in the next history of the world than is likely to be writte of any other country.”

ELECTION OF DIRECTORS AND EXECUTIVE

The Report of the Directors wa then adopted.

Messrs. T. Harry Webb, C.A., an C. S. Scott, F.C.A., were appointed as auditors.

The scrutineers subsequently re ported that the following had bee elected as Directors for the ensuing year: Sir John Aird, the Rt. Ho Sir Thomas White, K.C.M.G., Si Joseph Flavelle, Bart., A. Kingman, E. R. Wood, Sir John Morison Gi son, K.C.M.G., K.C., LL.D., Georg F. Galt, A. C. Flumerfelt, Char Colby, Ph.D., LL.D., George W. A lan, K.C., H. J. Fuller, F. P. Jones, H. C. Cox, Charles N. Candee, W. W Hutchison, H. R. Silver, James A Richardson, T. A. Russell, Sir Alex ander Mackenzie, K.B.E., Mille Lash, K.C., G. C. Edwards, H. S Ambrose, C. A. Birge, W. E. Phin, Pitblado, K.C., W. P. Riley, W. A Wood, A. V. Young, John Stuart, the Rt. Hon. Lord Shaughnessy.

At a meeting of the new Boar held later in the day Sir John Air was elected President, the Rt. Ho Sir Thomas White, K.C.M.G., and Mr. E. R. Wood, Vice-Presidents, and Sir Joseph Flavelle, Bart., Chairman of the Board.

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PRIVATE CAPITAL IS LARGE FACTOR IN GROWING WEST

Inter. Utilities' Subsidiary Takes Over Union Power Drumheller Plant

NEEDS HYDRO-POWER

Offer is Made to Saskatoon, Through Mid-West Utilities, to Develop City

By G. C. PORTER

Private capital is becoming a big factor in the development and distribution of power in the West.

Several investigations are being made toward placing power plants in the coal fields of the three provinces, utilizing at the pit mouth fuel to develop electrical energy which will be distributed widely over the rural and municipal districts of the West.

While three different companies are reaching out in this direction on the prairies at present, only the Mid-West Utilities, which is a subsidiary of the International Utilities corporation, has actually made an investment in that direction. C. J. Yorath, president of the Mid-West, recently announced that his company has taken over the Union Power's plant at Drumheller and will extend its transmission lines to remote fields.

Cost of Transportation

It is the cost of transportation that has limited the soft coal fields of Alberta and kept the mines working scarcely one half time. Both Saskatchewan and Manitoba have large fields but of a very inferior commercial coal. They can be utilized, however, as centres of power plants. These two provinces have large coal areas but of a variety that cannot be shipped far in competition with a superior class of fuel.

With plants adjacent to the mines, where the fuel can be reduced to dust and burned to produce electrical current, it is believed by experts that mines now idle half the time can be speeded up and the surplus output utilized in this way at a profit. The experiment now undertaken by the Mid-West in the Drumheller may determine the location of a number of other power plants.

These fuel plants will co-operate with hydro plants in different sections of the prairies. This is the ambition of C. J. Yorath and his associates in International Utilities. In fact so confident is the International management of ultimate success that an offer has been made to the City of Saskatoon, through Mid-West Utilities, for acquisition of the light, power and street railway plant owned there. The proposition is now being considered. The investment will ultimately involve an expenditure, if the Mid-West's terms are accepted, of approximately four million dollars. The company has offered the city a million cash for its plant and franchise, to assume the debentures which approximate $2,500,000, to spend a million and a half on new equipment and pay a flat tax of $150,000 annually.

Paving of Tracks

The Mid-West in making the offer for the Saskatoon plant advances a priciple that has been worrying some of the older utilities in the West. It relates to the payment for all paving within the tracks of the street railways and a foot on each side. This is a survival of the liability incident to operation of trams by horse power. Under that system the paving between the rails was rapidly destroyed. Much of it had to be replaced annually and the companies seeking charter rights accepted the cost as a natural liability of tram operation.

The Winnipeg street railway affords an excellent example of the unfairness of this old liability attached to tram companies a quarter of a century after the horse and mule operated cars have been discarded. The company in Winnipeg has long urged the council to consider this phase of its charter in equity and some concessions have been granted but the principle has never been admitted by the municipality of reducing the tram company liability for payment of paving between the rails as in the old horse car days. Yet the operation of the electric trams of course do not damage the paving but the old charge is still included as among the companies liabilities. Some Western cities, chiefly on the other side of the line, as Winnipeg was the only one in Western Canada in existence at the time horse power was utilized, have long since been relieved of this inequitable charge against their use of the streets.

Changed Conditions

The Mid-West offer takes these changed operating conditions into consideration and while offering to pay the usual taxes, does not expect to pay for street paving and its repair that is not a part of tram operation. This feature of the horse car days of the Winnipeg Electric Company accounts for many thousands of dollars to be paid annually in the way of paving charges. Changing sentiment in Winnipeg, however, is gradually conceding the right of the company to relief from this survival of pioneer days.

In the meantime, there is a distinct plan of action by which hydro-transmission lines, and those supplied with current generated in the coal fields from central distributing systems, will co-operate to deliver light, fuel and power current all over the prairies. The rural communities will profit largely by this new development of the electrical transmission, and, at the same time, cheap varieties of coal in Manitoba (through the Souris valley) and in Southern Saskatchewan will find a profitable market.

It is from the remote northern sections of Manitoba and Saskatchewan that the chief volume of hydro-power, in the years to come, will be drawn. There is very little surplus left from the Winnipeg River sites for distribution through Manitoba. Saskatchewan's hydro sources are numerous but at present undeveloped.

Unfinished Dam

There is in Northern Saskatchewan, on the Saskatchewan River, ten miles east of Prince Albert, a dam that cost a million dollars and, incidentally very nearly bankrupted the municipality of Prince Albert. No power was ever developed because the magnitude of the undertaking consumed all available funds before it reached a stage where current could be developed. To-day, several companies are investigating this old "folly" as the project was termed. It is believed, with new conditions, that something may yet be saved from this wreck and the project carried to completion, supplying hydro current to much of Northern Saskatchewan.

The Prairie Provinces are looking, in the last analysis, to the remote north, the Nelson, Churchill and other rivers of the "Bay" basin for adequate hydro current. That is the reason there is so much interest being displayed in the White Mud Falls project and others being contemplated by the big mining companies at Flin Flon, the Sherritt-Gordon and kindred organizations of mining capital.

Altogether it seems as if this is the era of white fuel all over the three Prairie Provinces, and, best of all, there is apparently plenty of private capital ready for investment in the many projects. It means a development of agriculture scarcely dreamed of until to-day and many new farms to be tilled.

CANADIAN BRONZE AGAIN ATTAINS 70

Earnings Are Said to Run Around $6 Share Level

From Our Own Correspondent

MONTREAL.—The common shares of Canadian Bronze have touched their former high of 70. It was recently thought that an initial dividend on the stock would be declared, but the dividend declaration did not materialize and the stock declined slightly. The delay in declaring dividend is regarded simply as a reflection of the conservative attitude of the management which cannot fail to strengthen the position of the shareholders in the long run, whatever the immediate future course of the stock may be.

In the meantime, investors are again anticipating some dividend action on the shares which it is thought might be placed on a $3 annual dividend basis for earnings are understood to be running around the $5 or $6 a share level.

November Boot and Shoe Output Declines Slightly

Footwear production in Canada during November shows a decrease of 95.577 pairs, or 5½ per cent., from the preceding month. Returns from 171 factories out of a total of 177 factories in operation give a total production of 1,615,667 pairs of boots and shoes.

In comparing the output of boots and shoes with leather or fabric uppers for November last with that of the preceding month, the most important decrease is shown to have been in the production of shoes for women, the decrease amounting to 74,201 pairs, or 11 per cent. The production of shoes for men decreased by only 14,657 pairs or 3 per cent., while shoes for boys and youths and misses and children show increased production.

Cumulative production of footwear for the eleven months ended November, 1927, was 17,894,686 pairs or an average per month of 1,626,790 pairs. The total production of footwear for the calendar year 1926, according to the annual report of the industry, was 19,896,539 pairs, or an average per month of 1,658,045 pairs.

British American Bank Note Purchased by H. W. Pillow

From Our Own Correspondent

MONTREAL.—Howard W. Pillow has purchased the British American Bank Note Company with head office in Ottawa, from the Burland estate. Mr. Pillow became associated with the company in 1906 as Montreal representative and on the death of Colonel Burland in 1914, became president. The British American Bank Note Company was incorporated in 1866.

Canadians Control Two-Thirds of All Canadian Securities

By KENNETH W. TAYLOR

A Chapter from The Financial Post Yearbook of Canadian Business, shortly to be published

British and foreign capital has played an important part in the development of Canada. Our railways, roads, bridges, schools, and other public works, as well as our general industries, our power stations, paper mills, and mining developments have all been made possible to a large extent by imports of capital from abroad. How much capital we have borrowed, how it is distributed throughout our body economic, whence it has come, and how it is controlled must always be matters of great importance as well as of great interest to Canadians.

Exact figures, of course, are not obtainable. The investment of new funds, the reinvestment of earnings and profits, the repayments of old borrowings, the repurchase of securities by Canadians, the cancellation of debts through failures, bankruptcies, and re-organizations, all must be taken into account; and on no one of these points is the information complete, and on most it is unfortunately rather fragmentary. However, by careful compilations were such one possible, by judicious estimates where exact information is not available, substantially accurate figures can be obtainable by broad groups and general classes.

The following table has been reached by this process. Figures of the Dominion Bureau of Statistics Industrial Census for 1921 (in some cases for 1923), which give the geographical distribution of the ownership of securities of manufacturing and trading establishments in Canada, have been used as a basis wherever possible, and the figures for subsequent years revised from compilations of new investments, and estimates of repayments and repurchases by Canadians. In the several classes not covered by the Bureau's census compilations, that is, Dominion, provincial, and municipal securities, railways, public utilities (in part), finance, and land and mortgages, the figures are based on careful original compilations by The Financial Post in 1923, and revised for later years in accordance with known facts or estimated tendencies. It may be added that where estimates have to be made, two or more independent estimates by different methods have, wherever possible, been made, and the fact that substantial agreement has resulted from such independent bases lends confidence to the general conclusions so reached.

Foreign Investments in Canada (As of January 1, 1927)

	Total	United Kingdom	United States	Other Countries
Govt. and municipals ..	$1,205,600,000	$ 416,200,000	$ 784,900,000	$ 4,500,000
Railways	1,438,400,000	949,900,000	448,500,000	40,000,000
Public utilities	432,700,000	125,000,000	268,200,000	39,500,000
Pulp, paper, lumber	483,400,000	52,900,000	368,900,000	61,600,000
Mining	304,900,000	86,200,000	204,900,000	13,800,000
Metal industries	286,200,000	32,900,000	250,000,000	3,300,000
All other industries ...	448,300,000	124,600,000	319,900,000	3,800,000
Trading establishments,	161,700,000	49,100,000	107,700,000	4,900,000
Finance and insurance..	147,000,000	90,000,000	45,000,000	12,000,000
Land and mortgages ...	330,000,000	190,000,000	90,000,000	50,000,000
Total	$5,238,200,000	$2,116,800,000	$2,888,000,000	$233,400,000

The following table shows the trend of foreign investments in Canada since 1913. The 1913 estimate is that made in 1914 by Mr. F. M. Field, now senior British trade commissioner in Canada. The 1923 figures will be found to differ slightly from those published in The Financial Post at the time, and the 1927 figures are slightly lower than the 1926 figures published in these columns one year ago. This does not mean that foreign investments declined during 1926; as a matter of fact they showed a net increase of about $200,000,000; but new data recently available and some new estimates on repayments of old borrowings and repurchases by Canadians of outstanding securities, account for the differences.

Investments from	1913	1923	1927
United Kingdom	$1,860,000,000	$2,090,400,000	$2,116,800,000
United States	417,100,000	2,473,700,000	2,888,000,000
Other countries	139,600,000	252,800,000	233,400,000
Total	$2,416,700,000	$4,816,900,000	$5,238,200,000

While the total amount of foreign capital in Canada has been increasing markedly since the war, yet Canadians have not been relying overmuch on such foreign funds. The proportion of foreign to Canadian capital has on the whole declined slightly in the past seven years; that is, Canadians own a slightly larger share of the total than they did before. The following tables illustrate this by comparing January 1, 1920, and January 1, 1927.

Ownership of Canadian Securities, 1920 (000,000 omitted)

	Grand Total	Canada	Total Foreign	U. K.	U.S.	Other Countries
Govt. and municipals	$3,542	$2,503	$1,039	$ 515	$ 518	$ 6
Per cent.	100.0	70.7	29.3	14.5	14.6	0.2
Railways	$2,692	$1,488	$1,204	$ 907	$ 267	$ 30
Per cent.	100.0	55.3	44.7	33.7	9.9	1.1
Industries and trade	$5,759	$3,932	$1,827	$ 432	$1,248	$147
Per cent.	100.0	68.3	31.7	7.5	21.7	2.5
Finance and insurance	$ 415	$ 302	$ 113	$ 75	$ 30	$ 8
Per cent.	100.0	72.8	27.2	18.1	7.2	1.9
Land and mortgages	....	....	$ 290	$ 170	$ 55	$ 65
Total (excluding land & mort.)	$12,408	$8,225	$4,183	$1,929	$2,063	$191
Per cent.	100.0	66.3	33.7	15.5	16.6	1.6

Ownership of Canadian Securities, 1927

	Grand Total	Canada	Total Foreign	U. K.	U.S.	Other Countries
Govt. and municipals	$4,292	$3,086	$1,206	$ 416	$ 785	$ 5
Per cent.	100.0	71.9	28.1	9.7	18.3	0.1
Railways	$3,561	$2,123	$1,438	$ 950	$ 448	$ 40
Per cent.	100.0	59.6	40.4	26.7	12.6	1.1
Industries and trade	$7,450	$5,333	$2,117	$ 471	$1,520	$126
Per cent.	100.0	71.6	28.4	6.3	20.4	1.7
Finance and insurance	$ 490	$ 343	$ 147	$ 90	$ 45	$ 12
Per cent.	100.0	70.0	30.0	18.4	9.2	2.4
Land and mortgages	....	....	$ 330	$ 190	$ 90	$ 50
Total (excluding land & mort.)	$15,793	$10,885	$4,908	$1,927	$2,798	$183
Per cent.	100.0	68.9	31.1	12.2	17.7	1.2

In next week's issue an estimate will be made of the amount of new capital obtained by Canada during 1927, and the estimate of foreign investments in Canada will be brought up to January 1, 1928, but, of course, only in tentative form.

Business Conditions in United States

Volume of business during the week ended December 31, as shown by figures on check payments, was smaller than in the previous week, being lower also than in the same week of last year, according to the weekly statement of the Department of Commerce. The general level of wholesale prices showed no change from the previous week, but was slightly lower than a year ago. Prices of cotton continued to recover, being higher also than a year ago. Iron and steel prices weakened, showing a decline from last year, as well. Receipts of cotton into sight were lower than a year ago.

Loans and discounts by Federal reserve member banks, though showing no substantial change from the previous week, were considerably higher than a year ago. The Federal reserve ratio was lower than in the same week of last year. Prices of stocks listed on the New York Stock Exchange showed no change from the previous week, but were substantially higher than a year ago. Loans by Federal reserve member banks in New York City to brokers and dealers, secured by stocks and bonds, reached a new high point during the week. Interest rates on call loans averaged higher than in the previous week, reaching the level which prevailed in the same week of 1926. Bond prices averaged slightly higher than in the previous week, showing an advance also over the same week of last year. Interest rates on time money, though showing no change from the previous week, were lower than in the same week of 1926. Business failures were less numerous than in either the previous week or the corresponding week of a year ago.

Output of bituminous coal during the week ended December 24 was greater than in the previous week but smaller than a year ago. The production of lumber during the same week registered a decline from the previous week, but was considerably greater than during the corresponding period of 1926. Petroleum production receded substantially from the preceding week, but was still larger than in the same period of last year. Building contracts awarded were larger than in either the previous week or the corresponding week of 1926. Receipts of wheat at primary markets, although smaller than in the previous week, were greater than a year ago. Receipts of cattle and hogs were smaller than in the previous week, but larger than in the corresponding week of the previous year.

Weekly Business Indicators

Relative numbers, average 1923-25=100

	Dec. 24 1927	Dec. 25 1926
Bituminous coal production	100.7	107.6
Lumber production	88.2	75.9
Beehive coke production		59.6
Petroleum production (daily average)	116.8	113.3
Freight car loadings		80.6
Building contracts (27 states) ..	125.6	90.9
Wheat receipts	64.3	50.2
Cotton receipts	119.6	203.5
Cattle receipts	98.4	71.5
Hog receipts	80.3	78.7
Price No. 2 wheat		
Price cotton middling	72.8	47.8
Price iron and steel composite .	84.8	92.1
Fisher's price index	93.4	94.3
Bank loans and discounts (total)	122.9	115.5
Debits to individual accounts ..	134.2	126.7
Interest rates, call money	103.0	136.4
Business failures	122.4	120.6
Stock prices	186.8	145.2
Bond prices	110.8	107.4
Interest rates, time money	97.1	105.7
Federal reserve ratio	86.7	88.9

NEW BRUNSWICK ADOPTS NEW PLANS

Active Measures Will be Taken to Stabilize Agriculture

New and aggressive agricultural policies designed to encourage various branches of agricultural activity in New Brunswick have been adopted by the provincial government, according to an announcement by Hon. Lewis Smith, minister of agriculture.

The new policies were first discussed at a conference of the staffs of the provincial and federal departments of agriculture and then referred to the committees composed of experts from the various divisions concerned.

Briefly the tangible results of the conference are as follows:

(1) Establishment of at least one calf club in each county as the foundation for community breeding of high production quality dairy animals.

(2) Creation of a provincial seed board and the placing of farmers in touch with sources from which pure seed may be most advantageously obtained.

(3) Extension of cream routes to bring more cream to existing creameries.

(4) Service through district representatives and all officials of the Provincial Department of Agriculture for immigrants and new settlers upon farms in the province.

(5) Establishment of community orchard clubs to provide centralized shipping and orchard service for fruit growers.

(6) Summer demonstrations for each poultry club, continuing the present bonus system for cockerels, recognition for highest standing members of each poultry club, and issuing of a new bulletin on poultry housing suitable for Maritime conditions.

(7) Adoption of a system of uniform record books to be used by the secretaries and treasurers of all agricultural societies.

New Brunswick's new settlement scheme under the agreement with the Imperial and Federal governments was also explained at the conference. It is estimated that one hundred families will come to the province annually under this new scheme and that this would be in addition to the usual flow of immigration from Great Britain as well as Denmark and other Scandinavian countries.

A shipment of six bacon type pure-bred swine from Canadian farms to New Zealand has recently been made.

Hamilton Bridge Deal Should be Beneficial to Canadian Vickers

It is Not Thought Likely Two Companies Will Consolidate

CLOSE CO-OPERATION

From Our Own Correspondent

MONTREAL.—The purchase of the Hamilton Bridge Works by James Playfair, Victor M. Drury and Frank M. Ross and associated interests, is a development which will probably affect the operation of Canadian Vickers. The Montreal company is now controlled by the same interest. It is understood that Wood, Gundy and Company and Nesbitt, Thomson and Company also both made unsuccessful bids for the purchase of the property.

It is not thought that the Hamilton Bridge Company will be consolidated with Canadian Vickers, but the purchase of the Hamilton property by interests closely associated with Vickers means that the structural steel end of Vickers business will probably work in close co-operation with the Hamilton company.

In the past, it has been understood that the Hamilton Bridge Works worked closely with the Canadian Bridge which is subsidiary of the American Bridge. The fact that the Ontario enterprise and Vickers are controlled by the same interests cannot but work out to the benefit of both companies.

The Hamilton Bridge Works now employs between 700 and 800 men and is working at full capacity; it is understood that extensions will be made to the plant and that no change will be made in the present management. A new offering of securities will soon be made to finance the deal.

One report indicates that the price paid for the company was $3,000,000. This figure is equivalent to $300 a share. The bulk of the stock is held by Major W. I. S. Hendrie, president of the company and by other members of the family.

Frontenac Oil is Now Doing Well

From Our Own Correspondent

MONTREAL. — The shares of the Frontenac Oil Refineries have touched 34, a figure which speaks well for the future of the new McColl-Frontenac Oil stock which will be exchanged share for share for the common stock of the subsidiary company. The new merger company's shares changed hands between brokers at 33 before being listed on the Montreal Curb Market this week. The common stock issue of McColl-Frontenac Oil common stock, has given the issue a wide distribution which makes the position of the stock the firmer marketwise.

Subscriptions have been received from investors in excess of the amount of this offering.

We offer

5,000 Shares

The Brading Breweries

Limited

COMMON STOCK

CAPITALIZATION

	Authorized.	Issued.
7% Cumulative Convertible Preferred Stock	$100,000	$39,000
Common Stock Without Par Value (Shares)	25,000	21,210

The Company has no mortgages and no funded debt.

The business was originally established in 1865 and has been in continuous operation since that time. Total net assets are $425,780.85 and earnings for the six months ending November 30, after making adequate provision for depreciation and bad and doubtful debts, but before Federal Income Taxes, as certified by auditors, were $46,880.43. For the full year ending November 30 the directors anticipate net earnings of not less than $100,000, or nearly $5.00 per share on the Common shares outstanding.

This offering does not represent new financing by the Company.

The Company has agreed to make application to have its Common shares listed on the Montreal and Toronto Stock Exchanges.

Price: $28.00 per Share

JOHNSTON AND WARD

14 King St. East, Toronto
171 St. James St., Montreal

MEMBERS: Montreal Stock Exchange, Toronto Stock Exchange,
Montreal Curb Market, Winnipeg Grain Exchange,
Chicago Board of Trade.

THIS ISSUE HAVING BEEN OVERSUBSCRIBED BY INVESTORS. THIS ADVERTISEMENT APPEARS AS A MATTER OF RECORD ONLY.

New Issue

$750,000

Harding Carpets Limited

7% Cumulative Convertible Preference Stock

(Par value $100 per share)

The Cumulative Sinking Fund Convertible Preference Stock is fully paid and non-assessable: preferred as to dividends and assets, non-voting except after dividends are two years in arrears: entitled to cumulative preferential cash dividends at the rate of 7% per annum, payable half-yearly January and July 1st, by cheque at par at any branch in Canada of the Company's Bankers (The Royal Bank of Canada): callable in whole or in part for Sinking Fund purposes and otherwise at $110 and accrued dividend per share on 60 days' prior notice at the option of the Company, or the Company may purchase for redemption in the open market up to $110 and accrued dividend; convertible at the option of holder at any time up to ten days prior to the time specified in any notice as the date of redemption into no par value Common shares on the basis of one share preference stock for the equivalent of two shares no par value Common stock.

Registrar and Transfer Agent: Montreal Trust Company

CAPITALIZATION
(On completion of present financing)

	Authorized	To Be Outstanding
7% Cumulative Convertible Preference Stock ($100 par value)	$ 1,000,000	$750,000
Common shares, no par value	20,000 Shs.	20,000 Shs.

NO BONDS NO MORTGAGES

We summarize from the President's Letter and other sources as follows:

PROPERTY. Harding Carpets Limited have acquired in the City of Brantford 8½ acres of land on which has been erected a most desirable block of modern factory buildings of concrete, brick and steel construction, containing 100,000 square feet of ground floor space eminently suitable for the industry. All conditions of power, labor, transportation, taxes, etc., tend to make manufacturing costs considerably lower than in larger centres of population.

BUSINESS. The Company will manufacture and sell carpets and rugs for Canada and for export. The most modern machinery and equipment has been installed, including looms for the manufacture of seamless Axminster and Wilton rugs. This will be the only Company in Canada manufacturing a full line of Seamless Axminster and Wilton rugs. The plant is modern and thoroughly up to date and will manufacture staple lines of goods for contract and store selling. The erection of many hotels and public buildings and the increasing volume of building in general assures a growing market for the products of the Company. It is believed that the plant will be in production not later than January 3rd, 1928.

ASSETS.—The certified balance sheet of Messrs. Price, Waterhouse & Company, Chartered Accountants, shows that the surplus assets over liabilities will amount to $951,855, being approximately $126 for each $100 of Preference Stock issued. Net working capital of the Company amounts to $214,450.

EARNINGS: A conservative estimate of the Company's earnings after full allowance for maintenance, depreciation and taxes available for Preferred Stock dividends will be in excess of $144,103, which is approximately 2¾ times Preferred dividend requirements and at the rate of over $4.60 a share on the Common Stock to be issued.

MANAGEMENT The management of the Company is in the hands of experienced and capable officials. Mr. C. Victor Harding, President, was formerly Vice-President of the Toronto Carpet Manufacturing Company, Limited, and is one of the best known men in the carpet trade in Canada, having had more than 30 years' experience. His extensive connections in the United States and Great Britain will undoubtedly prove of inestimable benefit to the Company. He has associated with him experienced and efficient men who have had a wide experience in the same field with a complete knowledge of all branches of the business.

OPPORTUNITY IN INDUSTRY. In view of the fact that there are only three Companies in Canada engaged in the manufacture of Carpets and Rugs, all of whom are making very substantial profits, it is confidently expected that with modern machinery and equipment this Company will secure more than its share of the profitable business offering. The output for the year 1928 is practically arranged for.

We have purchased and offer for subscription the balance of the above shares, when, as and if issued and received by us with opinion as to titles by Messrs. McLaughlin, Johnston, Moorhead and Macaulay, and subject to approval as to legality of all proceedings by our Counsel, Messrs. Blake, Lash, Anglin & Cassels.

Price: $100 Per Share

Carrying a bonus of one share Common Stock with each share of Preferred.

The right is reserved to reject any or all applications, and also in any case to award a smaller amount than is applied for. Certificates are expected to be ready for delivery on or about January 3rd, 1928. Preference dividends accrue from date of registration. It is the intention to make application in due course to list these shares on the Toronto Stock Exchange

DICKSON, JOLLIFFE & COMPANY
Limited
INVESTMENT SECURITIES
Trusts and Guarantee Bldg. 302 Bay St., Toronto 2
Phones Adelaide 7451-2-3

Although the statements contained in this advertisement are not guaranteed, they are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Insurance for Buyer and Seller

No Particulars Given by Quebec Government of Insurance Scheme

Further Information Confirms Post's Prediction as to Nature of New Plan Regarding Workmen's Compensation

The rather cryptic announcement regarding workmen's compensation in Quebec, which was made in the speech from the Throne on Tuesday, was short shrift for those insurance men and manufacturers who were expecting that the details of the new plan which has been worked out in the past month by the provincial government, would be disclosed.

Evidently the government is keeping its surprise for some future date, because the reference that was made to the matter of compensation gave no inkling as to how the new plan is to be administered. The assurance was given, however, that under the new scheme both workman and employer would be satisfied, and that the plan would contain all that was best both in Quebec and in other provincial legislation.

Although no official announcement has therefore appeared from government officials, as to the nature of the plan, The Financial Post learns on reliable authority that its prediction made some three weeks ago, is correct.

At that time, The Post outlined the general plan under which it is believed workmen's compensation will operate in Quebec in the future, and predicated that the existing system of private company underwriting would prevail. The change which it is believed will take place, will be in the method of controlling the system, and calls for the creation of a claims board, or commission to take the place of the existing system of judiciary appeal.

This board will probably be composed of three members and would eliminate entirely the present system of court appeal. In addition to its duties in this capacity the board will probably have very wide powers in the province to look after the whole field of accident prevention, and also to make a study of the very important question of accident rehabilitation.

With the creation of a board such as this, the actual operation would probably work out in this way.

As long as the employer, the employee and the insurance company can agree upon the amount of compensation that should be awarded, a private settlement will be made between the parties concerned, and the claim will be paid by the company just as in any other field of insurance. If, however, there is a dispute, the settlement will be referred to the claims board which will have full authority to settle the matter, and its decision will be final and binding. Thus these claims will be handled in a manner similar to the way in which Ontario now handles its claims, only the insurance will be carried by private companies, instead of being carried by an assessment on industry, levied by the province.

The actual reference to the subject in the speech from the throne, is contained in the following words:

Our workmen desire a law providing more generous compensation in case of accidents befalling them at their work than that now in force. After long and careful study, my ministers believe that they have formulated a scheme which will contain all that is best in our own and foreign legislation. This scheme will satisfy both employers and workmen. To indemnify the workmen on a generous scale without injuriously affecting industry has been the aim in drafting a bill for the new law, which will be submitted to you.

Insurance Problems

Insurance questions of general interest, submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

British Canadian Insurance

I have 20 shares in the British Canadian Insurance Company of Montreal, and have paid 40 per cent. on these. Now the company wants me to pay the balance. I wish to know if it is worth while paying. Is the company going upwards or downwards?

The British Canadian Insurance Company has been taken over by another group of companies known as the British America or Western Group. On December 10th of last year the option to pay the remainder of the call expired.

The fact that the company has been taken over by this group should be advantageous to the shareholders of the company in the future because the group is one of the oldest in the business in Canada.

Continental Insurance

Please advise me the present price of shares of Continental Insurance Company of New York and if in your opinion they are a good buy at present prices for a hold of possibly two or three years. Would you consider the shares of any other company a better buy?

Continental Insurance Company of New York, has very good possibilities over a period of years. It has just declared a 50 per cent. dividend and split its stock thus decreasing the par value of its stock from $25 to $10 per share.

The current price of the new stock is approximately $81 per share.

Over a period of years this company seems to have done very well as a share of stock bought in 1897 at $350 has appreciated considerably and would be worth at current prices $2060.

In view of the fact that our service applies particularly to Canadian stocks in the Canadian field we might suggest a stock such as that of The Montreal Life which is now selling at $68 per share and which is looked on very favorably as a good investment at the present time.

Empire Life

I have been approached to purchase some stock in the Empire Life Insurance Co., at a premium of $35. It would seem that I am to pay the premium of $35 per share, and $10 per share on the principal. In other words, if I purchase 10 shares, I will pay $450 only, the profits of the company to apply against the balance of my subscription. What is your view in connection with this? Do you look upon it as a good investment? Is the company well organized, and is the organization substantially a good one?

Regarding the purchase of Empire Life Stock we would consider this a fairly good investment if bought to be held over a period of years.

As you probably know the purchase of the shares of a young insurance company must be done with an eye to the future as it is practically impossible for a young company, at the present time, to pay dividends during, say, the first ten years of its existence.

The practice of including in the purchase price of stock a certain amount of premium is very common, especially in the life insurance field. Very few life insurance stocks are fully paid up, the subscription price being composed partly of premium and partly of an initial call on the stock.

The method has proven fairly satisfactory in the past and your only worry is that in case the company becomes financially involved you would be liable to an additional call on your stock. On the other hand, of course, if the company prospers, it is fair to assume that bonuses and various stock dividends would be credited to your account, from time to time, which would eventually pay up the larger part, if not all of the stock.

We believe that the management of this company is of a very good calibre and is doing business in a very aggressive and thorough manner. The company is now operating in the West as well as in the Maritimes and is preparing to pay a 5 per cent. bonus on its capital stock next month.

GOOD TONE STRUCK BY IMPERIAL LIFE

President Refers to Quality of Business and Increase Over Previous Year

When G. A. Morrow, president of the Imperial Life Assurance Co., delivered his annual address at the annual meeting of that company this week, he referred briefly to a phase of the life insurance business that seems destined to become one of the most important problems of the business for many years to come, namely, the conservation of business. In commenting on his company's growth, President Morrow said: "We feel that this rapid growth, which depends as much or more on how the old assurances renew from year to year, as it does on the amount of new assurances produced, indicates that the business on our books is of good quality. . . ."

Coming as the first official life insurance speech for the year 1928, this spirit of looking to the quality of the business, rather than to mere quantity, strikes a very high and satisfactory note which may well be reiterated throughout the coming year.

As far as the company itself is concerned, the year 1927 seems to have been another period of successful achievement. The amount of business issued during the year was $39,844,790, as against $37,110,654 in 1926, and of this sum, nearly $24,000,000 went to swell the total insurance in force, which now stands at $242,131,790, as against $218,230,511 in 1926.

The company's assets were increased during the year by a little more than $5,000,000, and now stand at $45,242,000. These are composed, of course, largely of invested assets, and of these, 58 per cent., or nearly $25,000,000 are in the form of bonds and debentures; 21 per cent. are in the form of mortgages; and a much smaller percentage, amounting in all to $1,053,000, is represented by stocks. The average rate of interest earned by the company during the year was 6.13 per cent.; the rate earned upon bonds and debentures being 5.83 per cent.

Reserves are valued on a 3 per cent. interest basis, and amount to $37,631,000. Surplus on the year's operations amounted to $2,078,349, which brings the total policyholders' surplus up to $4,407,000, of which $4,194,000 belongs to policyholders.

The following table shows comparative figures for the past two years:

Income	1927	1926
Prem. income	$ 8,816,994	$ 7,952,200
Int. income	2,334,563	2,089,202
Total cash Inc.	11,151,557	10,041,402
Business		
New assur. issued	39,844,790	37,110,654
Total assur. in force	242,131,790	218,230,511
Assets, etc.		
Total assets	45,242,681	40,124,052
Policyholders' Res..	37,631,039	33,552,129
Year's surplus	2,078,349	1,828,265
Rate of int. earned	6.13%	6.21%

The Lethbridge division of the Canadian Pacific Railway made a notable record in 1927, wealth produced aggregating $80,600,000, according to estimate.

ST. LAWRENCE
UNDERWRITERS' AGENCY
FIRE and AUTOMOBILE INSURANCE
HEAD OFFICE - TORONTO

PROTECT YOURSELF SAYS FINLAYSON TO SHAREHOLDERS

Official Dwells on Moral Hazard in Disability Benefit Policy

About ten years ago, a well-known insurance man died in New York who had been identified with the fire insurance business. In memory of her husband, his widow created a fund by which the Insurance Society of New York have been able to publish in pamphlet form, any important addresses that are delivered to its membership.

The eighth of these pamphlets has just been published and contains the address delivered before the Society by George D. Finlayson, superintendent for insurance for Canada. Mr. Finlayson traces the development of insurance legislation in Canada, and in the course of his remarks, outlines the principles upon which Canadian insurance legislation has been founded. He then clears up a rather general misunderstanding, by uttering a note of warning to the effect that Canadian insurance legislation does not pretend to protect the shareholder of the company, but rather holds them responsible for the sound administration of the company's affairs.

The final portion of his address deals with the splendid development of disability insurance in connection with the life contract in Canada, and urges the need of eliminating the moral hazard from this type of protection. His address in part is as follows:

Middle Course Adopted

While Canada has followed the example of the United States in initiating a system of supervision of insurance companies, it must be remembered that in the development of that system of supervision Canadians have again, very largely, adopted a middle course as between the practice in Great Britain and in the United States. On general principles, it must be admitted that there is little, if any, more reason for a detailed supervision of the insurance business than of any other business. Insurance companies are traders, and it is not an unsound principle of trade that the buyer must beware.

The consideration which has prompted supervision by the State of insurance companies is that, while they are in one sense traders, they are in another sense trustees, inasmuch as they are made the custodians over shorter or longer periods in the future of sums of money presently deposited by the public for indemnity in the future. To this fact, and this alone, must we look for justification for insurance supervision.

In Canada, this fact has been kept uppermost. When we read of an insurance company in Great Britain operating life, fire, marine and casualty funds with assets unallocated between the different branches, and those assets found, on liquidation, to consist of highly speculative securities which have never been correctly appraised, we are inclined to say that supervision is a good thing. On the other hand, when we read in the press of insurance companies organized to transact their business throughout the United States, and carrying on a nation-wide business, being compelled to practically cease operations in a particular State because of an order that they shall reduce their rates by a certain percentage, we are convinced that too much supervision is not a good thing.

Insurance Boast

Like the Constitution of Canada, insurance supervision in Canada has worked out to the satisfaction of the people. It is the proud boast of Canadian life insurance companies that since the institution of the system of supervision, no Canadian level premium life insurance company operating under that system has met with disaster involving the loss of a single dollar to the insured, and over the period of the last fifteen years, including the upheaval due to the War, the same may be said of fire and casualty companies. Canadian companies have been required to maintain themselves in a position of solvency sufficient to protect the insured, and British and foreign companies have been required to deposit in Canada assets sufficient, no matter what may happen the companies at home, to reinsure the Canadian policyholders.

Canadian legislation has not proceeded to the point of protecting the shareholders of the companies. There is no requirement respecting the making good of impairment of capital. There is instead a minimum margin prescribed over liabilities to policyholders. Our legislation proceeds on the assumption that the shareholders of the companies are, or should be, the real managers of the companies; that the responsibility for election of competent directors is theirs, and that the responsibility for the employment of competent officers is that of those directors. Indirectly, therefore, the shareholders of the companies are responsible for the management and the success of the companies, and if that success is not attained and the equity of the shareholders is not conserved, not only have the shareholders no grievance against the Government, but the Government has rather a grievance against the shareholders in that they have failed to discharge the responsibility which is properly theirs. It must be admitted that this responsibility is one which is improperly understood. Persons subscribing to shares of insurance companies still take the view that they are making "an investment" and not engaging in the operation of any enterprise.

Middle Course

In still other respects Canadian insurance legislation has followed a middle course. In Great Britain companies are given manifold powers and, up to date at any rate, there has been no definite requirement for segregation of assets. In the United States there is, as a rule, a regulation against the combination of diverse classes of business in the one company. In Canada, since 1922, Canadian companies have been permitted to combine all classes of business, but with the requirement that the life insurance business of a composite company must be operated strictly as a separate company with separate accounting, separate funds, and what is most important, separate securities and investments.

While it was deemed desirable to remove any restriction from this development it is improbable that the privilege will be taken advantage of to any great extent. Canadian life insurance companies have been so fully occupied in caring for the life insurance business which has come to them and in meeting the problems incidental thereto that they have had little time to cast their eyes to other fields. The one exception is the personal disability feature, which is recognized as an integral part of the life insurance business. The development in this field is a very striking one.

Five Billion Dollars

Life insurance to-day exceeds five billion dollars, or about $550 per capita, and of this amount nearly 40 per cent., or about $200 per capita, carries disability benefits of one form or another, but mostly in the form of instalment disability benefit without reduction of the death benefit.

The public have beyond a doubt the right to expect facilities for obtaining protection against disability, which they can safely rely on as permanent, at least until comparative old age, and not subject to cancellation except at their own option. There is, however, in connection with non-cancellable disability insurance, a moral hazard probably exceeding that of any class of insurance. It is liable to merge into "permanent holiday" insurance unless the value of the disability benefit at any time is kept in proper relation to the earning power of the insured in normal health. If life insurance companies can, by a combination of life and disability insurance, reduce this moral hazard and provide this protection at a reasonable cost, they will confer a great benefit on the insuring public."

The raising of polo ponies is being taken up as a sideline on the Eldorado ranch in the Okanagan Valley around Kelowna, British Columbia.

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TOTAL BENEFITS
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T. EATON CO. MAY EXPAND AGENCIES OUTSIDE TORONTO

Understood to be Part of Plan for Diamond Jubilee

Further expansion of the T. Eaton Co. activities through its stores and agencies outside of Toronto, is understood to be part of the plan to be announced shortly in connection with the Diamond Jubilee of this concern.

Just what form this expansion will take is not known at present. In the past two years, however, Eaton's have opened a number of branches in various towns of Ontario as well as in the Western provinces.

It is well known that the out-of-town business of the large mail-order houses has been steadily dwindling with the growing use of automobiles and extension of good roads. Five years ago a large percentage of the farmer's buying was done by mail, but to-day this class of buyer is going to the store.

Officials of T. Eaton's long ago saw this change in merchandising conditions and took steps to counteract it. At present the company operates large department stores in Toronto, Montreal, Hamilton and Winnipeg. Saskatoon and Calgary have been definitely added to the list. In addition there are a number of groceterias in several Western Canadian cities and small men's furnishing and similar stores in Ontario centres.

Empire Life Issues Preliminary Figures

Preliminary figures issued to The Financial Post by the Empire Life Insurance Co., show that the new business issued by the company during 1927 amounted to $2,641,779. This compares with some $2,300,000 of business written in 1926.

The company reports assets of $440,000, as against $240,940 a year ago, and a net surplus of $75,000.

In the month of December just passed the company wrote over $500,000 of business. A complete report will be published during the next few weeks.

LONDON LIFE TOTAL BEATS 1926 FIGURES

Premiums Are $9,162,101, Against $7,980,526 for Previous Year

Already the results of life insurance achievement in Canada during 1927 are being presented for publication, to investors and the insuring public, and although the official figures are not yet available, The London Life Insurance Co. has issued a preliminary statement showing the position of the company as at the end of 1927.

According to this statement, the goal of $300,000,000 of business in force has not quite been attained, but the actual figures show a total business in force amounting to $295,909,000. The amount of business issued during the year amounted to $85,581,000, as against $73,737,000 in 1926.

Premium income for the year amounted to $9,162,101, as against $7,980,526 in the previous year. Of this, 60 per cent. came from premiums on ordinary business; 38.5 per cent. from industrial business, and the remainder from group. Group premiums increased from $74,000 in 1926 to $141,000 in 1927.

Interest income swelled total receipts by $2,373,000, the rate of interest earned on mean invested assets amounting 6.56 per cent., as against 6.71 per cent. the previous year.

The total assets of the company show an increase for the year of some $6,800,000, and amount at the end of 1927 to $44,068,000. This includes reserves and other liabilities amounting to $42,116,000; surplus on policyholders account (including paid-up capital) of $1,952,840.

A comparison of some of the important figures for the past two years is as follows:

Income	1927	1926
Prem. income	$ 9,162,101	$ 7,980,526
Int. income, etc....	2,373,542	2,053,895
Business		
New Ins. issued ..	85,581,196	73,737,385
Total ins. in force.	295,909,855	251,256,595
Assets, etc.		
Total assets	44,068,930	37,248,492
*Policyholders surp.	1,852,840	1,547,060
Rate of Int. earned	6.56%	6.71%

*Including paid-up capital, $100,000.

T. Eaton Insurance Makes Big Increase

A fifty per cent. increase in the amount of life insurance written during the year is the record of one of the smallest companies operating in the Canadian field. The company is the T. Eaton Life Assurance Co., and according to preliminary figures given to The Financial Post, the amount of business written during 1927 amounted to $4,525,000, as against $3,121,000 for the year 1926.

A large part of this increase is attributed to the fact that the company has had in operation during the past year, a system of pay-roll deduction which has proved a decided incentive to employee-insurance. About two-thirds of the business written this year by the company was on the lives of its employees.

The company does not maintain an active agency organization, but confines its activities in the general insurance field, to circularizing regular store customers of the parent company by means of mail order literature. The business is written on either of the three commonly accepted plans, namely, ordinary life, 20-pay life and 20-year endowment. The business is all on the participating plan, and this year the company declared its first dividend on policies which had been two years or more in force.

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Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown

The Story of 1927

The results achieved by The Imperial Life Assurance Company of Canada in 1927 as indicated by the figures given below will be very gratifying to Policyholders and others interested in the Company's progress:

	1917	1922	1927
Assurances in Force	63,362,339	140,025,954	242,131,790
Assurances Issued........	13,087,584	24,825,819	39,844,790
Total Assets..........	14,283,845	24,928,718	45,242,682
Policy and Annuity Reserves	11,019,495	20,897,214	37,631,039
Premium and Interest Income	3,134,953	6,122,338	11,151,557
Payments to Policyholders .	1,030,392	2,049,324	3,898,356

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Copy of Complete Report for 1927 mailed on request

The Imperial Life Assurance Company of Canada
FOUNDED 1897 — *Head Office*, TORONTO

Branches and Agents in all Important Centres

Current Events in Banking World

PROSPECTS GOOD FOR BANK CLERKS WHO STUDY JOBS

More Use Could be Made of Institutions' Libraries

SALARIES QUESTION

President of Canadian Bankers' Association and Sir John Aird Give Their Views

"We have in our bank one of the most interesting and instructive collection of books on financial affairs, especially in relation to banking, that there is in Toronto, but I would hate to tell you the low percentage of the number of employees on our staff who avail themselves of this library," said a high banking official to The Financial Post.

This remark was made in connection with editorial comment in Toronto dailies regarding what they term inadequate salaries for bank clerks.

Commensurate Salaries

This official said that in his opinion the present-day bank clerk in Canada received a salary commensurate with his ability.

Some little time ago a youth, aged 17, was engaged as a clerk in the branch of a bank in Ottawa and is said to have taken $300 to help his parents who needed aid. He was caught and sentenced to one year in a reformatory.

Very rightly, as The Globe points out, no one will attempt to defend the act of dishonesty on this lad's part, but avers "there will be many who will find it equally hard to excuse an institution that will place any young man in a position of trust, make him responsible for the custody of large sums of money and yet cannot find it in its heart to pay him any greater salary than $10 a week."

When taxed with the above statement regarding this young lad, and bank clerks' salaries in particular, A. E. Phipps, president of the Canadian Bankers' Association and general manager of the Imperial Bank of Canada said to a Toronto reporter that he had no knowledge of the circumstances of this particular case and went on to say:

Exceptional Case

"I do know, however, that for a branch in the smallest hamlet the minimum salary to tellers paid by the banks generally is not less than $900 per annum and the average very much more. If the facts are as alleged in this case, they are wholly exceptional and there is probably some explanation.

"When a young man of seventeen enters a bank, the practice among the banks to-day is to pay him at least $500 per annum, and every six months an increase is granted until the salary becomes substantial. Frequently free living quarters are furnished. As in other businesses, a novice is of little value from the practical standpoint and after six or more months the average young man begins to make progress in usefulness. But the young man is entering upon and equipping himself for a profession with substantial rewards later, if he is diligent and even moderately successful, either in banking or in a score of other lines of business once his banking training is complete.

Banking Services

"Salaries of bank clerks of all ranks, while not yet what the management of the banks would like to see, have very materially increased in recent years. Net earnings based on what the public pays for banking services, after all, regulate bank salaries and this should not be forgotten when criticism is indulged in. In addition to salary, too, it should be mentioned that a pension for old age for bank officers is in the case of most banks provided out of bank earnings, supplemented by contributions by the officers themselves. Insurance for moderate amounts, the cost of which is either wholly or largely borne by the bank, is another provision of recent years. These are considerations not to be overlooked when comment on the salaries of bank officials is made.

"When the bank's shareholder is pictured as receiving very large returns on his investment at the expense of the clerks and officers of the bank, again the conclusion is not justified. In Canada holders of bank shares today receive on their capital investment anywhere from 4 to 6 per cent., surely a moderate return."

"Many of the discussions regarding the salaries of bank clerks, and especially those which take the form of newspaper comment, start off from a wrong premise," declared Sir John Aird, president of the Canadian Bank of Commerce.

"They lay strong emphasis on the great responsibility of the bank clerk and his position of trust in charge of large sums of money. In fact he is in no more responsible position than the clerk in charge of valuable goods in a commercial establishment."

Wants Definition

Sir John was somewhat at a loss to understand the definition of the man in the street of "a large sum of money."

"What would be called a large sum?" he asked. "Would $5,000, $10,000 be regarded as a large sum? Many a clerk is in charge of goods to greater value than that."

But to the non-banker money is not a commodity, it is purchasing power in its most negotiable form, it was remarked. Sir John could not see why the cash should prove a greater temptation than the goods. "The first thing to be expected of any man is honesty" he remarked. "A man acting as teller in a branch bank would probably have not more than $5,000 in his custody.

"Bank salaries are revised twice a year and increases and bonuses go to those who have earned them. The changes and advancement are rapid. I think bank men are as well paid as any other class. They should be open to no greater temptation than commercial employees.

"There may be the occasional case of under-payment, but it is not frequent. Responsibility is thrust upon none of them. A clerk is never put into a telling box unless he is willing to go.

"Some of the newspapers who would like to see increases in bank clerks' salaries would no doubt consider 10 per cent. a very small increase and 25 per cent. only reasonable. Either one of these would reduce the dividend payable to the shareholders whose money in the banks is already bringing them less than they could make on it in commercial investment."

Sir John endorsed the statement made by another banker who said: "The public does not pay sufficient for banking service. That is shown by the fact that the return on the capital the banks have to work with in their business is a great deal smaller than in any successful commercial business. The public hears of the banks making hundreds of thousands of dollars but the public forgets that millions of dollars of the shareholders' money is at work to make that income, and that in the actual percentage the income of the bank is small."

The official quoted at the beginning of this article saw great possibilities in the bank clerk who showed interest in his work; who would not sneak a quarter of an hour from the bank when arriving in the morning nor show undue haste in leaving the bank punctually on closing time with a mind filled with, not banking affairs, but sport.

Bank of Montreal Has New Director

From Our Own Correspondent

MONTREAL.—At a meeting of the board of directors of the Bank of Montreal, W. A. Black was elected a director of the bank. Mr. Black is president of the Ogilvie Flour Mills Company, a director of the Canadian Pacific Railway Company, a past president of the Montreal Board of Trade and is prominently identified with a number of leading industrial enterprises.

Canadian Banks Open Nine Branches in December

The Canadian chartered banks report opening nine new branches in various parts of the Dominion, and no branches were closed:

Opened

Commerce—Yonge and Lytton Blvd., Toronto; St. Clair and Arlington, Toronto; Westdale, Hamilton; Woodland Avenue, Verdun (sub-agency to Verdun).

Dominion—Davenport and Delaware, Toronto; Monkland and Old Orchard, Notre Dame de Grace, Montreal.

Imperial—743 Mount Pleasant Road, Toronto; Dolbeau, "Mill Branch, Quebec.

Toronto—769 Mount Pleasant Road, Toronto.

PROVINCIAL BANK SHOWS INCREASE FOR PAST YEAR

Net Profits Are $508,608, as Against $454,123 For 1926

From Our Own Correspondent

MONTREAL.—The net profits of the Provincial Bank of Canada for the fiscal year ending November 30 last, show a substantial increase over a year ago, according to preliminary figures for the year issued by the bank.

Net profits were $508,608 as against $454,123 for the 192 year. Deducted from the net profits this year, is the sum of $360,000, the regular 9 per cent. dividend to the shareholders; for Dominion Government taxes the sum of $63,600 has been set aside and $51,033 has been applied to reduce bank premises accounts and also for the amortization in full of the maintenance of new branches. After deducting these sums from the net profits, there will remain over a sum of $33,975 to be added to profit and loss account which now stands at over $310,000.

During the year, the funds on deposit increased by nearly $3,000,000 and now stand at about $40,000,000. The total obligations of the bank to the public are in excess of $44,850,000. The total assets are $50,716,541, of which $28,498,113 consists of liquid assets, a figure amounting to 53 per cent. of the total obligation to the public. The paid up capital of the bank is the same as a year ago, namely, $4,000,000. The reserve fund remains the same as a year ago at $1,500,000 which, added to undivided profits in profit and loss account, make a total of $1,810,410.

Banking Assets Rise $100,000,000 in Month

The increase of $171,000,000 in the deposits of Canadian banks during the year 1927 is one of the most notable evidences of the general gain in prosperity of the Canadian people. The November bank statement makes possible a comparison between November 30, 1927, and November 30, 1926. Of course, the final figures for the last year will not be available for another month.

The statement showed a further considerable expansion in the assets of the banks, the increase for the month of $101,000,000 being very striking and representing more than the usual seasonal increase coincident with the peak of the crop movement.

In addition to the increase in current loans there was a further increase in Canadian call loans reflecting the buoyant security markets that have prevailed. Savings and demand deposits alike increased during the month.

November 30 is usually a red letter day in banking for that brings to a close the fiscal years of several of the banks and naturally the final day of the month is preceded by feverish activity to get in everything that will help swell the totals. But even allowing for this mild form of "window dressing" the statement is one of great significance in revealing the sterling position the banks have attained during the past two years.

Comparative figures follow:

BANK STATEMENT FOR MONTH OF NOVEMBER

Immediately Available Liquid Resources

Assets

	November, 1927	October, 1927	Change	November, 1926	Change
Specie	98,965,069	74,938,268	+ 24,026,801	87,034,736	+ 11,930,333
Dom. notes	138,470,349	118,437,276	+ 20,033,073	136,840,981	+ 1,629,368
Gold reserves	69,170,332	66,470,332	+ 2,700,000	70,660,332	— 1,490,000
Foreign banks	81,069,893	70,223,871	+ 10,846,022	68,514,913	+ 12,554,980
Foreign Currency	30,891,626	21,551,055	+ 9,340,571	32,013,160	— 1,121,534
Govt. securities	300,347,823	323,465,541	— 23,117,718	304,472,901	— 4,125,078
Call loans abroad	298,641,795	271,830,674	+ 26,811,121	288,902,941	+ 9,738,854
	1,017,556,887	946,917,018	+ 70,639,869	988,439,964	+ 29,116,923
Loans and Securities Other Than Those of Canadian Government					
Public securities	126,726,786	132,480,326	— 5,753,540	119,953,582	+ 6,773,204
Rly. securities	60,603,718	63,250,349	— 2,646,631	56,262,613	+ 4,341,105
Can. call loans	223,332,963	210,989,725	+ 12,343,238	141,379,542	+ 81,953,421
Current loans	1,079,401,147	1,062,413,992	+ 16,987,155	986,400,696	+ 93,000,451
Loans abroad	249,822,129	270,127,635	— 20,305,506	241,337,902	+ 8,484,227
Mun. & prov. loans	94,049,499	91,719,288	+ 2,330,211	89,607,058	+ 4,442,441
	1,833,936,242	1,830,981,315	+ 2,954,927	1,634,941,393	+ 198,994,849
Other Assets					
Non-curr. loans	7,809,182	8,457,749	— 648,567	8,903,699	— 1,094,517
Real estate	7,266,601	7,663,218	— 396,617	7,948,782	— 682,181
Mortgages	6,628,873	6,375,272	+ 253,601	5,824,489	+ 804,384
Premises	69,362,591	70,190,924	— 828,333	70,560,906	— 1,198,315
Letters of credit	81,910,929	78,093,700	+ 3,817,229	79,334,371	+ 2,576,558
Loans to comp.	6,675,545	6,863,088	— 187,543	5,239,093	+ 1,436,452
Other assets	2,651,030	2,795,150	— 144,120	2,963,107	— 312,077
	182,304,751	180,439,101	+ 1,865,650	180,774,447	+ 1,530,304
Total	3,033,797,880	2,958,337,434	+ 75,460,446	2,804,155,804	+ 229,642,076
Note cir. dep.	5,930,129	5,930,129	......	5,766,650	+ 163,479
Int. bank balance	202,672,864	186,972,280	+ 15,700,584	140,446,955	+ 62,225,909
Gross	3,242,400,873	3,151,239,843	+ 91,161,030	2,950,369,409	+ 292,031,464
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	180,859,206	185,621,540	— 4,762,334	177,777,181	+ 3,082,025
Dominion Govt.	52,569,651	78,510,171	— 25,940,520	12,886,352	+ 39,683,299
Provincial govt.	32,062,857	23,318,642	+ 8,744,215	15,556,153	+ 16,506,704
Govt. advances	17,000,000	30,750,000	— 13,750,000	13,150,000	+ 3,850,000
Deposits by Public					
Demand dep.	710,323,180	648,372,283	+ 61,950,897	602,882,638	+ 107,440,542
Savings dept.	1,430,955,703	1,406,041,734	+ 24,913,969	1,367,295,012	+ 63,660,691
Total	2,141,278,883	2,054,414,017	+ 86,864,866	1,970,177,650	+ 171,101,233
Foreign dep.	380,186,499	350,128,801	+ 30,057,698	351,250,875	+ 28,935,624
Due Banks Abroad, Etc.					
United Kingdom	9,152,337	6,638,976	+ 2,513,361	6,287,887	+ 2,864,450
Foreign	51,423,975	38,100,007	+ 13,323,968	39,960,862	+ 11,463,113
Bills payable	7,716,542	9,565,076	— 1,848,534	9,717,854	— 2,001,312
Letters of credit	81,910,929	78,093,700	+ 3,817,229	79,334,371	+ 2,576,558
Other liabilities	2,466,587	2,156,188	+ 310,399	1,930,032	+ 536,555
Public liab.	2,956,627,466	2,857,297,118	+ 99,330,348	2,678,029,217	+ 278,598,249
Due Bt. Banks	13,632,918	13,972,876	— 339,958	13,905,910	— 272,992
Liability to Shareholders					
Dividends	4,279,056	1,998,132	+ 2,280,924	3,940,420	+ 338,636
Reserve	132,041,700	131,983,290	+ 58,410	125,441,700	+ 6,600,000
Capital	122,764,660	122,706,250	+ 58,410	117,164,660	+ 5,600,000
Gross	3,229,345,800	3,127,957,666	+ 101,388,134	2,938,481,907	+ 290,863,893

Bank Chat

Norman Woolner, who for a number of years was a member of the Bank of Nova Scotia staff at Milverton, has been transferred to the Stratford branch. C. T. McCall, of Stratford, is taking Mr. Woolner's place on the Milverton staff.

A. M. Hood, for some time assistant accountant, has been officially appointed accountant of the Canadian Bank of Commerce at Sydney. Mr. Hood succeeds Mr. Morrison, recently transferred as manager to Stanley, N.B.

C. E. Fairweather, manager of the Renfrew branch of the Bank of Nova Scotia, will tage charge of the main office of the bank at Ottawa, during the absence of the present manager, Charles S. Smith. Mr. Smith has left for Boston en route to the South, and will enjoy leave of absence for some months on account of ill-health.

The Bank of Toronto has opened a branch at Academy Road and Niagara Street, Winnipeg, Man., under the management of Mr. S. D. Markham, formerly of the Winnipeg branch.

"The evidence of progress and prosperity in Western Canada is greater to-day than at any time in the past thirty-five years," states C. E. Neil, general manager of the Royal Bank of Canada.

Charles Cambie, manager of the Canadian Bank of Commerce in London, England, has been elected chairman of the committee of the British Overseas Banks Association for the ensuing year.

James William Fulton, who held an executive position in the Royal Bank of Canada is dead, aged 60. Mr. Fulton held posts with the Royal Bank at Cuba, Nanaimo, B.C., and Vancouver, and during the Klondyke gold rush established branches of the bank as far north as Dawson City.

The late G. S. Campbell, president of the Bank of Nova Scotia, left property valued at $420,000, most of which is bequeathed to his widow and daughter. Bequests of $1,000 each were made to the Halifax School for the Blind, the School for the Deaf, St. Mathew's Church, and also to Dorothy, daughter of his niece, Mary. Dalhousie College may benefit when the trust is wound up.

Walter Helmer, accountant for the Dominion Bank at Medicine Hat, Alta., has been transferred to Regina.

G. M. Hamilton, of Arthur, and David E. Griffiths, of Tavistock, have joined the staff of the Standard Bank, Stratford, Ont.

E. S. Swallow, assistant accountant at Toronto branch of the Dominion Bank, has been appointed acting manager at Davenport road and Delaware Avenue branch, Toronto. J. M. Harrow, accountant at St. Lawrence Boulevard branch, Montreal, is now in charge of Monkland and Old Orchard Aves. branch, Notre Dame de Grace, Montreal. H. C. T. Wright, accountant at Winnipeg branch, has been appointed manager at Dupont and Christie Streets branch, Toronto.

Charles E. Brooke, retired banker, died on Jan. 8, at his residence, 17 Dundonald St., Toronto. He was a well-known Argonaut oarsman and skater. He served in the Queen's Own and York Rangers.

A McTurk, assistant manager, Lombard Street branch of the bank of Montreal, in Winnipeg, has been transferred to Montreal as inspector. He left for Montreal on Jan. 1, Mr. McTurk went to Winnipeg three years ago from Vancouver, where he had served in various branches. He entered the service of the Bank of Montreal in London, Eng., 21 years ago, after six years' experience in the Bank of Scotland.

After less than a week's illness of pneumonia, George C. Roy, manager of the West St. John branch of the bank of Nova Scotia, is dead. He was born in Perth, Scotland, in 1885, and came here about twenty years ago.

By using the blotter that has been applied to a signature forgers have sometimes fashioned an accurate reproduction of the writing; but with a type of blotter now being used in some banks, they will no longer be able to do this. The blotters are black, so that the ink is almost completely lost in the color. Besides this advantage, they are not so easily disfigured.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Jan. 6, 1927	Jan. 5, 1928
Halifax, N.S.	$ 3,751,880	$ 3,309,847
Saint John	2,836,275	3,043,208
Moncton	910,384	1,025,464
Sherbrooke	1,082,706	1,110,889
Quebec	7,179,918	7,030,155
Montreal	107,397,022	156,256,879
Ottawa	6,678,650	7,466,725
Kingston	848,170	917,364
Peterborough	849,671	648,593
Toronto	121,178,910	149,282,008
Hamilton	5,726,299	6,621,939
Brantford	1,416,413	1,358,588
London	4,195,888	4,323,057
Sarnia	779,477	479,197
Kitchener	1,007,134	1,258,142
Chatham	919,325	879,105
Windsor	4,112,845	4,568,733
Western Cities	**Jan. 6, 1927**	**Jan. 5, 1928**
Fort William	$ 977,043	$ 1,071,698
Winnipeg	52,905,802	59,365,340
Brandon	665,233	674,318
Moose Jaw	1,689,086	1,765,279
Regina	5,532,398	5,347,173
Saskatoon	2,173,224	2,569,418
Prince Albert	465,249	547,327
Lethbridge	555,563	648,517
Calgary	10,363,129	11,073,305
Edmonton	7,014,674	6,667,575
Medicine Hat	359,672	419,380
New Westminster	685,485	857,821
Victoria	2,118,008	2,107,285
Vancouver	19,361,414	19,961,330

NEW HOME AT SIOUX FOR IMPERIAL BANK

Confidence Placed in Northern Ontario by Erection of New Building

SIOUX LOOKOUT. — When the Sioux Indian Tribe trekking in from Dakota and Minnesota climbed Lookout Mountain to survey the surrounding territory, they were doubtless pleased with the outlook. It may be said also that the present citizens of Sioux Lookout are pleased with the prospect. In a few short years a town of importance has come into existence.

Sioux Lookout has become a thriving community. In just a few years it has grown to a town of prosperous dimensions with buildings which would reflect credit upon old settlements with many times the population. The latest addition is an imposing two story brick and stone structure completed near the end of the year. This is the new permanent home of the Imperial Bank of Canada. The branch opened here in 1919 in the Hudson Bay building.

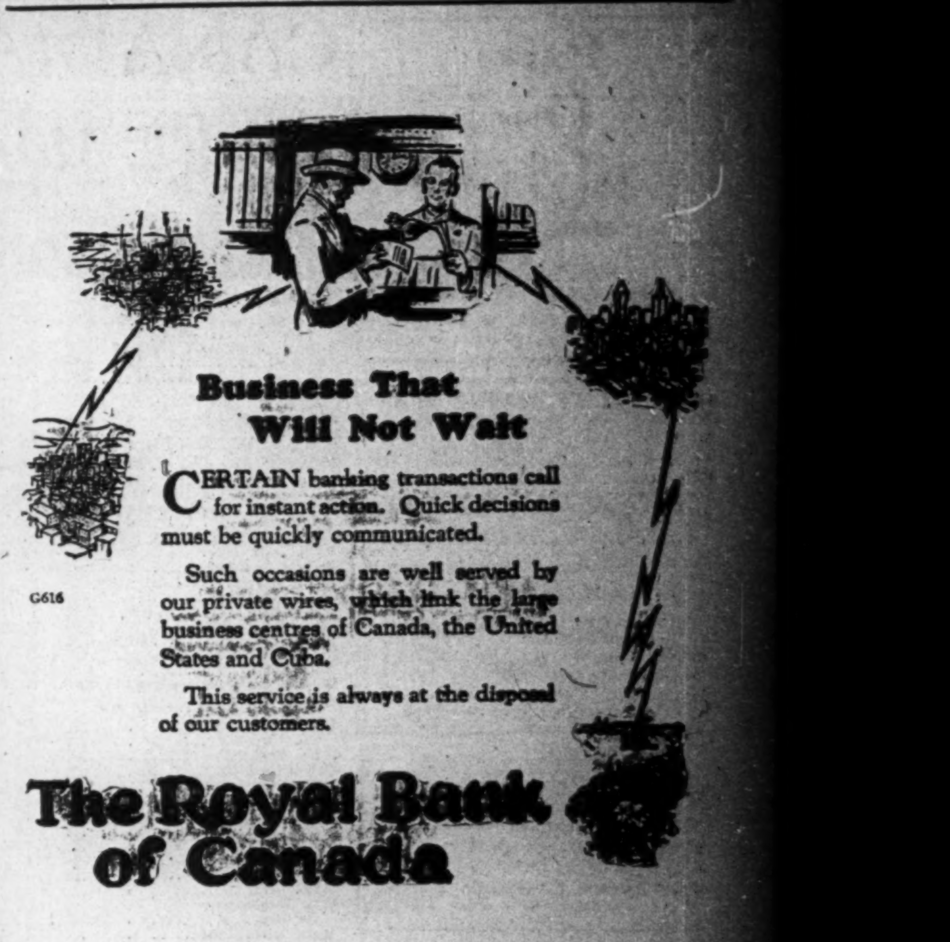
The latest new structure, particularly, is visible evidence of the confidence which the Imperial Bank of Canada imposes in the future of New Ontario and of the widespread developments which have been taking place in the Red Lake mining country.

New Brunswick Plans Big Road Building Program

Establishment of several gravel screening and crushing plants at strategic points in New Brunswick has been decided upon by Hon. D. A. Stewart, Minister of Public Works, in connection with the department's policy for improvement of the trunk highways, secondary roads and rural byroads.

This is said to be the first move in what is expected to be the most extensive program ever undertaken in one season by the Highway Division of the Provincial Department of Public Works. New construction and resurfacing will be included in the 1928 undertakings. The new screening and crushing plants will provide gravel of more uniform texture which will bind more readily into the roadbed.

It is also proposed to add to the number of mechanical motor patrols, as those machines which are a combination of scarifier and grader have produced good results on gravelled roads where traffic is too heavy for horse drawn graders to keep the surface in proper shape.



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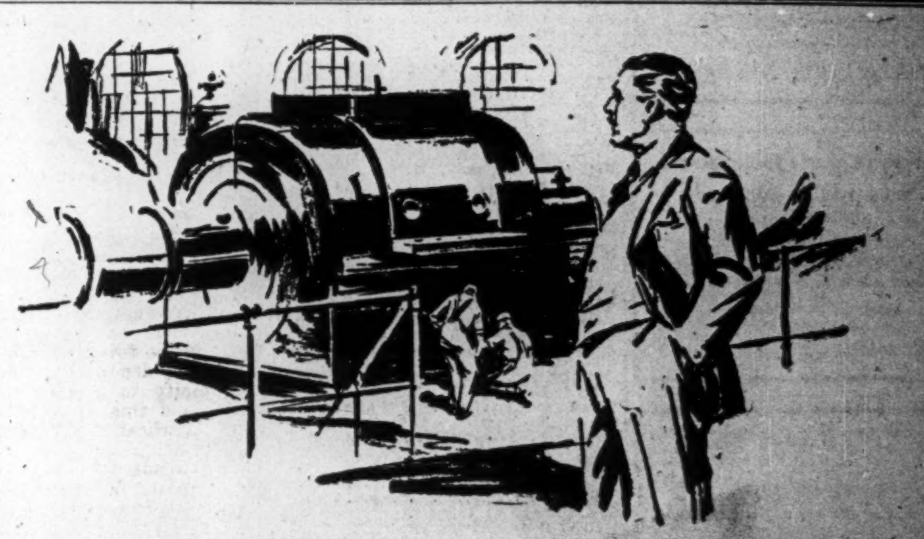

LOOKING AHEAD FINANCIALLY

Are You Allowing for Depreciation on *Yourself?*

NO matter how smoothly a machine runs, no competent management neglects to provide systematically for depreciation.

So it should be with the individual. When he is young, his mind keen, his vigor unimpaired, he must set aside a "depreciation" fund for those days when he will no longer be so active. There is this difference: A depreciation fund in industry should be sufficient to replace the machine at the end of its productive lifetime; the individual's capital reserve should be sufficient to replace his personal earning power.

Most men must *build* their capital reserve—from their earnings. This cannot ordinarily be done in a year, five years, or even ten. It is a slow process—with results best assured by beginning early in life. In this respect, young men, nowadays, have an advantage. They early gain positions of responsibility with comfortable incomes. Their opportunity is greater than ever before, to win out financially.

Our booklet "Looking Ahead Financially" deals comprehensively with the problem which should be every man's concern—that of building a sound financial structure for himself and his family. This book will help you to lay out and to follow a plan, suited to your means, that will systematically build up an income from investments, eventually sufficient to replace personal earning power.

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Return of the Chartered Banks of the Dominion of Canada November 30th, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of the Statutes of 1923

Liabilities

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Governments	Demand Deposits in Canada	Saving Deposits in Canada	Deposits elsewhere	Bals. due to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	Capital subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	44,692,711	24,229,620	....	17,704,608	162,665,084	393,992,939	90,817,047	2,400,639	804,195	5,534,531	580,459	13,549,745	1,133,157	1,505,051	30,916,700	29,916,700	820,443,191	31,175,000	29,916,700	12	2,694,391	32,280,285	45,360,223	48,597,063
Nova Scotia	15,036,915	935,875	....	679,449	34,557,207	125,183,011	34,245,000	3,169,945	30,188	1,188,381	1,195,157	6,454,835	91,046	2,816	19,500,000	10,000,000	252,269,830	15,000,000	10,000,000	16	5,241,703	9,143,247	8,891,928	16,247,951
Toronto	8,675,218	862,388	....	252,161	37,817,769	62,370,328	....	885,634	278,945	1,490,843	562,877	3,000,869	250,000	202,135	7,000,000	5,000,000	128,649,173	10,000,000	5,000,000	12	1,266,524	408,400	5,724,600	9,440,198
Provinciale	4,016,203	103,004	....	305,963	6,273,724	34,010,903	....	....	....	17,903	....	27,570	53,763	97,093	1,500,000	4,000,000	50,406,130	5,000,000	4,000,000	9	....	187,924	717,771	4,588,538
Commerce	28,514,633	8,688,177	9,000,000	3,966,213	134,838,744	234,867,619	55,069,248	2,446,813	4,056,006	20,366,659	259,465	14,406,913	....	805,014	20,000,000	20,000,000	557,285,589	25,000,000	20,000,000	12	5,465,651	18,843,000	18,896,000	30,970,464
Royal	42,556,200	15,091,113	....	5,980,765	212,060,323	293,935,370	195,568,517	868,199	3,271,788	19,731,353	5,028,058	36,997,581	250,596	1,514,202	30,000,000	30,000,000	892,854,071	40,000,000	30,000,000	12	2,304,657	11,873,854	17,058,768	45,898,819
Dominion	7,373,582	322,794	4,500,000	344,960	29,788,450	67,735,868	3,047,792	1,809,130	224,087	1,729,600	90,526	5,306,663	687,977	2,788	7,000,000	6,000,000	135,964,221	10,000,000	6,000,000	12	1,332,905	2,156,000	4,400,000	8,420,982
Standard	6,963,360	235,657	3,500,000	155,463	27,638,487	53,485,778	....	1,056,235	246,216	565,497	....	467,304	....	5,114	2,900,000	4,823,400	102,042,514	5,000,000	4,823,400	12	144,937	469,092	2,726,647	7,090,525
Nationale	12,042,219	1,429,602	....	1,164,547	27,719,964	91,965,227	1,438,895	595	49,376	550,103	....	786,117	....	141,807	5,500,000	5,500,000	148,288,457	10,000,000	5,500,000	10	180,550	878,878	3,273,218	13,796,439
Imperial	10,057,955	587,089	....	1,489,708	34,674,026	70,565,498	....	995,728	191,536	231,112	....	913,332	....	3,036	7,500,000	7,000,000	134,209,024	10,000,000	7,000,000	12	74,900	1,111,481	4,892,164	11,140,740
Weyburn Security	930,150	84,332	....	19,020	2,289,402	2,843,162	....	....	....	17,993	....	....	....	....	225,000	524,560	6,983,620	1,000,000	655,700	7	95,109	18,095	48,424	1,171,725
Total	180,859,206	52,569,651	17,000,000	32,062,857	710,323,180	1,430,955,703	380,186,499	13,632,918	9,152 337	51,423,975	7,716,542	81,910,929	2,466,539	4,279,056	132,041,700	122,764,660	3,229,345,800	162,175,000	122,895,800	......	18,801,327	77,370,256	111,984,743	197,158,383

Assets

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	41,591,784	40,264,785	3,865,386	757,503	48,750,172	66,242	1,709,759	13,279,349	77,969,460	33,157,655	5,231,043	36,141,171	122,832,108	263,959,155	47,192,118	18,041,592	16,372,249	2,030,305	711,162	1,191,670	11,550,000	13,549,745	1,463,197	16,500,000	2,667,523	481,170	821,328,313
Nova Scotia	9,144,620	4,870,124	1,107,406	1,685,744	16,567,288	9	139,277	3,945,145	21,127,067	11,673,837	12,640,121	27,674,739	13,806,798	81,030,275	21,769,286	1,159,945	3,001,623	336,127	21,833	125,908	6,976,893	6,454,835	488,871	6,000,000	....	41,198	254,788,962
Toronto	438,803	6,916,507	726,255	102,859	8,464,267	....	....	4,852,467	13,000,549	2,733,930	4,937,965	10,397,453	....	62,560,638	....	....	3,009,536	111,169	....	160,488	3,311,272	3,000,869	264,478	4,305,866	....	....	129,295,378
Provinciale	199,318	1,907,451	522,180	97,535	2,455,789	1,535,017	10,133	788,829	5,469,441	2,119,405	3,346,589	10,047,122	....	17,325,858	....	....	1,439,272	162,088	520,967	332,865	1,928,149	27,570	200,400	....	....	180,555	50,716,541
Commerce	16,262,739	21,531,945	1,694,910	1,346,429	32,368,778	200	668,095	17,342,508	46,932,187	21,386,596	10,367,865	30,227,057	51,837,080	210,242,067	25,484,611	1,653,453	17,597,491	1,799,772	2,221,521	1,121,330	11,581,920	14,406,913	1,000,000	11,500,000	1,836,386	377,682	558,709,494
Royal†	26,730,568	41,187,574	3,237,424	26,238,115	38,350,978	2,489	2,497,471	23,406,929	73,307,380	31,296,226	15,390,650	53,338,787	97,949,246	215,122,184	153,411,835	1,438,585	8,976,090	2,241,802	1,917,113	1,452,119	13,670,315	36,997,581	1,300,000	16,000,000	2,171,636	520,795	894,663,903
Dominion	2,166,397	5,471,631	916,945	179,003	8,384,593	577	142,638	1,681,127	14,641,764	4,282,560	2,362,808	13,769,675	6,216,563	60,957,179	1,799,035	....	1,177,519	236,181	42,061	31,108	5,768,447	5,306,663	310,000	1,700,000	....	311,439	137,855,928
Standard	493,095	3,844,413	473,597	91,573	9,600,581	....	95,731	548,092	8,637,113	3,001,909	3,785,212	15,141,932	....	46,927,924	....	....	3,088,680	412,535	333,713	147,843	3,947,192	467,304	250,000	2,000,000	....	107,975	103,396,408
Nationale°	942,692	7,868,360	887,815	180,600	9,998,604	760,444	60,035	2,281,853	20,677,049	7,273,874	1,721,151	9,950,983	....	62,884,453	65,244	920,852	5,827,069	178,665	1,003,924	1,152,320	5,315,520	786,117	282,113	7,400,000	....	282,582	148,702,336
Imperial	976,838	4,561,929	1,015,485	210,260	8,803,669	612,135	93,842	1,462,168	14,310,861	6,612,401	27,851	16,644,044	3,000,000	56,173,324	....	3,484,502	6,825,676	242,457	333,090	685,335	5,049,152	913,332	342,712	3,264,466	....	276,619	135,922,157
Weyburn Security	18,215	45,630	32,375	2,005	64,821	1,406,433	....	64,445	1,274,952	188,395	292,463	....	....	2,218,087	100,000	....	65,385	58,081	161,214	167,887	263,731	....	28,358	500,000	....	70,951	7,023,438
Total	98,965,069	138,470,349	14,479,778	30,891,626	183,809,540	4,383,546	5,416,981	75,652,912	300,347,823	126,726,788	60,603,718	223,332,963	298,641,795	1,079,401,147	249,822,129	26,708,929	67,340,570	7,809,182	7,266,601	6,628,873	69,362,591	81,910,929	5,930,129	69,170,332	6,675,545	2,650,917	3,242,400,873

Column No 26. Of this deposit $21,170,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return. —Footnote to Royal Bank return

*The assets and liabilities of the Banque Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, JANUARY 5, 1928.

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Jamaica Public Service Retires Power Issue

From Our Own Correspondent

MONTREAL.—The Jamaica Public Service Co. has retired the underlying issue of $200,000 Jamaica Light & Power 5s due January 1, 1928, from cash in its treasury without recourse to financing.

It is understood that no financing is contemplated by the company. The directors policy for the last five years has been to plough back all earnings into the property instead of paying dividends on the common stock. As a result of this policy the company's growth has been financed without addition to bonded debt. A comparatively small amount of additional preferred stock has been sold for customer-ownership purposes. Revenue from light and power has steadily increased and the company is about to make a reduction in the rates for electric light and power in Kingston.

Earnings for the twelve months ended November 30 were, gross $687,000 against $650,000 last year, and net $278,000 against $264,000 last year.

CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING JANUARY 10

	Div. Rate	Yield Jan. 9	High for wk.	Low for wk.	Close Jan 10	Close Jan. 3	Sales for wk.	Range, 1927-8 High	Low
Banks—									
Commerce	12+1	4.64	280	277¾	282	278	517	295	228
Dominion	12+1	4.90	265	268	265	265	63	275	217
Can. Nationale	10	5.37	186	186	186	190	7	198	160½
Imperial	12+1	5.24	248	247	248	246	135	256	214
Montreal	12+2	4.07	345	337	344½	336½	336	355½	272
Nova Scotia	16	4.18	387	384	387	384	151	399	298
Royal	12+2	3.99	351	342	350	344	1642	351	257
Standard	12	4.80	250	237¼	250	238	650	250	196
Toronto	12+1	4.57	284	280	284	280	210	287	227
Paper—									
Abitibi, com. (no par)	5	3.49	145½	141	143	145½	3391	149⅛	82
Do. pref.	7	5.49	127½	127½	127½	124	5	127½	113
Belgo. Can., pref.	7	6.51	108	106	107½	107½	255	110	101
Brompton (no par)	$2	3.70	54½	52½	53	55	1486	64	31
Fraser, pref.	7	5.14	141	132⅝	141	134	2431	141	96
Int. Paper, c. (no par)	$2.40	3.38	72½	68	68⅞	72¾	25700	81½	39½
Do. pref.	7	6.54	107⅛	106⅝	106⅝	107	351	112½	98⅞
Laurentide	6	5.04	120	114	117	117½	12830	120	90
Port Alf. P., c. (n.p.)	.	...	95	95	95	97½	5	100	55
Do. pref.	7	6.82	103	102	103	103	86	107½	95
Price Bros., com.	2	2.53	80	78	80	78	800	80¾	51¼
Do. pref.	6½	6.28	104	103	103½	103¾	848	105⅛	100
Smith, Howard, com.	.	...	72½	71	71	71½	566	75	59
Do. pref.	8	6.92	....	...	...	...	...	117½	103½
Span. River, com.	7	4.96	142½	140	140	148	925	148	97⅛
Do. pref.	7	4.94	150	140	146	152	2530	160	110¼
St. Maur. V., c. (n.p.)	.	...	76	72½	74	74	1865	82	47
Do. pref.	7	6.82	102½	101⅛	102½	103	75	105¾	94½
Wayagamack (no par)	$3	2.72	113	106	108	108	1860	123½	46¼
Steel and Steel Industries—									
B.E. Steel, com.	-	...	1	1	1	1⅛	80	3½	⅓
Do. 1st pref.	.	...	28	22	28	23	675	85½	10
Do. 2nd pref.	.	...	4	3½	4	3½	740	6½	1
Can .Car & Found., c.	.	...	49	46½	47	46½	2240	55¼	35
Do. pref.	7	7.56	92⅝	90	92¼	92½	421	94½	85½
Can. Fairbanks, pref.	6+3x	...	..	...	...	...	...	104	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	17
Do. pref.	.	...	68	66	66	70	50	87½	66
C.G.E., c. (par $50)	.	...	70½	70½	70½	69	10	70½	49
Do. pref. (par $50)	7	5.63	62½	61	62	62	359	63	55
Canada Iron, com.	.	...	..	...	...	...	...	28	12
Do. pref.	4	...	60½	60⅛	60½	57½	80	60½	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do. pref.	7	9.33	..	...	...	...	...	89	70
Dominion Bridge	.	...	74¼	70⅛	73½	72¾	15123	76	57
Dominion Coal	.	...	75	75	75	79	100	85	67
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	...	45	44½	45	44	105	45	20
East Steel Prod. (n.p.)	.	...	30	24	29½	23	877	30	20
Do. pref.	.	...	98	97¼	98	...	105	98	97¼
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	...	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	6¼	6	6¼	6	110	15	4
Do. pref.	7	10.60	68½	65	66	50	...	95	50
Massey-Harris, c. (n.p.)	.	...	42	39½	41½	41½	48946	43⅛	29
Do. pref.	7	6.42	109¼	108½	108¾	109	363	109¾	103½
McKin. Ind., c. (n.p.)	.	...	29½	27¾	29½	25½	826	29½	15
Do. pref.	7	7.14	98	97½	98	98	55	98	93¼
Do. Vot. Trust	.	...	29⅓	28	29	28	2345	29½	15
Ontario Steel	6	5.00	..	...	...	...	...	120	73
Do. pref.	7	6.25	..	...	...	...	...	115	100
Page Hersey, c. (n.u.)	$3	3.34	90	85	89	86	4080	90	55½
Do. pref.	7	3.93	178	171	177½	172	679	180	116
Pressed Metals, com.	$3	5.66	55	53	55	50	105	64	34¼
Do. pref.	7	7.60	..	...	...	...	...	97	85
Russell Motor, com.	4	6.66	60	60	60	57	5	60	52
Do. pref.	7	7.14	98	98	98	98	25	99	90⅛
Steel of Canada, com.	7	3.78	187½	182	185½	187¾	634	222	117
Do. pref.	7	3.91	179	178	179	179	20	205	127
Milling, Foodstuffs and Merchandising—									
Alta P. Gr., c. (n.p.)	.	...	59	51	56¼	52	6002	59	19½
Do. pref.	7	7.17	98	97	97	97½	327	98	85
Arnolds, c. (no par)	.	...	17	15	16½	16½	665	26	10½
Do. pref.	.	...	..	...	...	...	...	95	81
Atlan. Sug., c. (no par)	.	...	27½	22¾	24	23	2445	32	17½
Do. pref.	.	...	85½	84	84	80	330	101¼	80
B.C. Fish., c. (no par)	$1.25	10.41	12½	10	11½	10¾	1051	22	8
Do. pref.	7	10.60	66	65	65	65	175	90	60
Can. Bak., c. (no par)	.	...	83	87½	38	37	85	42⅛	26
Do. pref.	7	6.66	105	104	105	105	40	106	97
Can. Bread, c. (no par)	$6	3.63	165	155	165	159	268	172	90
Do. pref. (A)	7	6.08	115	115	115	117	5	125	108½
Do. pref. (B)	7	6.36	110	109½	110	110	13	115	103
Can. Canners, com.	.	...	135	105	135	104	220	135	21
Do. pref.	5	3.47	144	125	143	125	3603	144	76
Do. com. (new)	.	...	23	18	21¼	18	7771	23	16
Do. 1st pref.	1½	...	94	92	92	92½	3768	94¼	91¾
Do. 2nd pref.	15c	...	25	21	28½	20	22436	25	17
Canadian Salt	8	5.12	..	...	...	...	...	156	123
Christie Br., c. (n.p.)	$1.20	1.07	112	86	108¼	87½	13375	112	38
City Dairy, c. (par $25)	3+1	1.86	220	205	205	229	385	233	79
Do. (new)	.	...	57	50	50	57¾	2646	59¼	50
Do. pref.	7	5.78	121	121	121	120	5	128	112
Cuban Can. Sugar, c.	.	...	..	...	...	...	...	5	1¼
Do. pref.	.	...	..	...	...	...	...	37	26
Wm. Davies (A) (n.p.)	.	...	..	...	...	...	760	45	25
Do. (B) (no par)	.	...	43½	43	43½	43	...	20¼	9
Dom. Stores (no par)	$2.40	2.22	109⅛	104½	108	107	1292	109⅛	65
Ham. Dairies, c. (n.p.)	.	...	50	48½	48½	50	115	55	24
Do. pref.	7	6.82	103	102	102½	102	52	103	95¼
Hunts, Ltd., c. (n.p.)	.	...	45	45	45	45	35	45	20
Do. pref.	7	6.93	101	100	100	100	15	101	90
Inter. Milling, pref.	7	6.48	108	107½	108	107½	40	109½	104
Lake of Woods, c.	12	7.10	169½	169	169	170	25	198½	130
Do. pref.	7	5.73	122	122	122	120	4	125	110
L. Secord, c. (no par)	.	...	38½	38	38	37	430	47½	26
Do. pref.	7	5.60	128	121	128	121⅜	100	140	102
Loblaw, c. (no par)	$1	1.00	100½	93⅛	99¾	95	520	100½	48
Do. pref.	7	5.14	138	134	138	130	91	138	107
Maple Leaf Mill., c.	.	...	107	104	106¼	107	400	110½	49
Do. pref.	7	6.66	105	104	105	104	188	105	94
Muirheads, c. (n.p.)	50c	3.33	15	14½	15	14¾	2121	15	8⅞
Do. pref. (par $10)	75c	4.28	17½	17¼	17½	16½	100	17½	10⅞
Nat. Grocers, pref.	8	8.08	99	99	99	98	10	101	98
Ogilvie Fl., c. (n.p.)	5+10	3.53	425	425	425	425	20	435	205
Do. pref.	7	5.18	135	135	135	135	25	145	120¼
Pure Gold Mfg. (n.p.)	$1.50	6.80	..	...	...	...	...	22½	19¼
Shredded W., c. (n.p.)	$3	4.25	71	68¼	70	70	1085	74¾	55
Stanfords, c. (no par)	$1	4.00	25	24	24½	25	85	26½	19
Do. pref.	7	7.44	94	94	94	95	41	95	88½
St. Law. Flour, c.	.	...	42½	40	42¼	38	220	45¼	25
Do. pref.	7	7.77	..	...	...	...	...	90½	79½
Viau Bisc., c. (no par)	.	...	..	...	...	...	...	26	15
Do. pref.	7	8.14	85	85	85	86	15	92½	83½
W. Can. Fl., c. (n.p.)	$1.40	3.70	41	37½	41	37½	765	41⅛	22
Do. pref.	6½	6.34	..	...	...	...	...	106	100
W. Groc., c. (no par)	$1	5.00	20	19	20	19	73	29	13
Do. pref.	7	9.33	75	75	75	77	1	84	74¼
Utilities—									
Bell Telephone	8	4.96	164	154	160	154	791	164	137
Calgary Power	5	5.00	100	100	100	100	144	100	50
Consumers Gas	10	5.09	196½	196	196½	196½	157	199	171½
East Koot. Pr. (n.p.)	.	...	25	25	25	26	5	29¼	25
Do. pref.	7	7.03	..	...	...	...	...	100	95
Int. Util. (A) (n.p.)	$3.50	7.00	51¼	49	50	51	5555	52½	28
Do. (B) (no par)	.	...	10½	9½	10	10½	19977	13½	4½
Jamaica Pub. Ser., pf.	7	6.66	105	105	105	105	135	105	97
Laurentide Power	5	3.44	..	...	...	...	...	150	105
Mackay, com.	7	6.03	119¼	116	116	117	87	132½	108
Do. pref.	4	5.79	70	67½	69	68½	216	74	67
Mexican Light, c.	.	...	67	65¼	65¼	65	284	67	27
Do. pref.	3½	...	80	77	77	74	280	120	65
Mont L H & P (n.p.)	$2	2.22	90¾	89	89	89¾	4662	96¾	68⅛
Mont. Teleg. (par $40)	8	6.03	..	...	...	...	...	54	49
Nor. Mex. Pr., c.	4	4.21	95	90	95	98	1355	97	42
Do. pref.	7	7.10	98½	98½	98½	97	5	98½	82½
Ot. & Hull Pr., c. (n.p.)	.	...	42	42	42	35	5	42	26
Do. pref.	7	7.00	100¾	100	100	99½	10	100¾	96
Ott. L. H. & Pr., c.	6	4.47	..	...	...	...	...	141½	98½
Do. pref.	6½	5.96	109	106	109	107	65	109	101
Power Corp., c. (n.p.)	.	...	78	70½	72	72½	3017	80¼	27¼
Do. pref.	6	6.03	99½	99	99	99	591	100	94
Quebec Power, c.	$2	2.23	92	86¾	87¾	91⅛	9416	92	72
Shawinigan (no par)	$2	2.22	92	87	89½	92	10793	94¾	67
S. Can. Pr., c. (n.p.)	$3	2.40	125¼	114	125¼	115	881	140	85
Do. pref.	6	5.58	107½	5	107	105	45	113	99½
Transportation—									
Can. Pacific Rly.	10	4.65	215	210	215	209	104	218	166
Can. Steam., c. (n.p.)	.	...	85	84¾	85	85	430	42	34
Do. pref.	6	6.61	90¾	89¼	90	90	972	96½	82½
Do. voting	.	...	..	...	...	...	...	37½	31
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	68⅛	33½
Brazilian, c.	7	3.19	220½	215	215⅛	220	23621	234⅞	102½
Do. pref.	6	3.29	182	182	182	182	96	197	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	1
Duluth-Superior	$2	9.52	22	21	21	22	913	30⅞	21
Minneapolis S.S.	.	...	..	...	...	...	...	48	42¼
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.00	200	197	200	195	70	200	169
Ottawa Traction	4+1	7.35	68	68	68	68	60	70	64
Porto Rico Rlys., c.	$3	4.30	..	...	...	...	...	70⅜	59
Do. pref.	7	7.10	98½	98½	98½	96	40	100	90
Twin City, c.	4	7.84	51	49	50	50¼	1415	66	45
Do. pref.	7	6.71	104¼	104¼	104¼	104½	50	104¼	100
Winnipeg Elec., c.	2	2.01	101	98	100	101¼	2306	104½	60¾
Do. pref.	7	6.42	110	108	108	110	291	110	100¾
Textiles—									
Can. Conn. Cot., pref.	4	5.92	67½	66	67½	66⅝	194	69	86
Can. Converters	7	6.86	102	101	102	104	185	109	92
Can. Cotton, com.	8	5.71	140	140	140	145	25	145	115
Do. pref.	6	5.85	102½	100	100	102½	85	104	95
Can. Woollens, com.	.	...	14	14	14	16	2	19	5
Do. pref.	.	...	..	...	...	...	...	89	59¾
Cosmos Imp., c. (n.p.)	.	...	24	22	23½	24	1665	81½	13
Do. pref.	7	7.00	100	99	100	99	25	103	91¼
Dom. Tex., c. (no par)	$5	3.84	133	130	131	132	425	135⅞	105
Do. pref.	7	5.38	130	130	130	126	23	130	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	39½	7½
Do. pref.	.	...	..	...	...	...	...	54	45
Montreal Cottons, c.	6	5.21	115	115	115	119	...	120	110
Do. pref.	7	5.69	..	...	...	...	5	123	114
Penmans, c. (no par)	$4	3.98	100½	100¼	100¼	...	...	108	70
Do. pref.	6	5.66	106	106	106	102	600	106	101
Wabasso Cot. (no par)	6	4.78	..	...	...	104	5	187	84
Zimmerknit (no par)	.	...	25	23	24½	23½	628	28½	18
Do. pref.	7	7.52	93	92	93	92	120	95	89½
General Industrials—									
Amer. Sales, c. (p. $20)	4	5.55	75	71	71	74	290	78	60
Do. pref.	7	6.33	111	110½	110½	110	42	111	97½
Asbestos Co., c. (n.p.)	.	...	34½	33	33¾	34½	4786	39¾	20
Do. pref.	7	7.44	95¼	93½	94	95½	729	102¼	82¾
Brant Cd., p. (par $25)	8	10.52	..	...	...	...	...	25	14
Bldg. Prod., com.	$1.20	3.40	35¼	33¾	35	34⅞	...	35¼	23¼
Do. pref.	7	6.73	104	104	104	104	4395	105	93½
Burt, F. N., c. (p. $25)	$3	4.34	69	67	67	69	10	71	56½
Canada Cement, c.	.	...	33	31	31½	33	251	35¾	30
Do. pref.	.	...	98½	97½	98	98½	2839	101½	93
Can. Bronze, c. (n.p.)	.	...	72	68	72	69½	2882	72	43
Do. pref.	7	6.36	110	109½	110	109½	3065	110½	98½
Conduits, c. (no par)	.	...	..	...	...	...	262	32¼	23
Do. pref.	7	6.93	101	101	101	99½	...	102	92
C. Smelt. (par $25)	10+$10	7.96	256	251	251	256	10	274½	215
Crow's Nest Coal	6	10.34	55	55	55	58	2911	71⅛	50
Dom. Glass, c.	7	5.46	129½	128	128	130	50	144	104
Do. pref.	7	5.83	120⅝	120	120	120	200	125	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	120	75	75
E. Theat., c. (par $25)	$2	7.14	..	...	...	...	...	30	24
Do. pref.	7	7.21	95	95	95	97	1	100	92
Famous Players, com.	.	...	45	40	40	50	16	51½	20
Do. pref.	8	7.69	105	102	104	102¼	841	105	93½
Gilman, com.	6	5.58	..	...	...	...	...	112	104½
Do. pref.	7	6.08	116	115	116	115	17	125	107

	Div. Rate	Yield Jan. 9	High for wk.	Low for wk.	Close Jan 10	Close Jan. 3	Sales for wk.	Range, 1927-8 High	Low
Goodyear Tire, com.	$5	3.35	151	139	146	139	1745	151	85⅛
Do. pref.	7	6.63	106	104	105	105	341	109	94½
Ham. Un. Theatres, c.	.	...	..	...	...	...	...	35½	7
Do., pref.	7	8.53	82	82	82	81½	10	85	81½
Hayes Wheel, c. (n.p.)	.	...	31½	29½	30	29	1400	34¾	26
Do. pref.	7	7.00	..	...	...	...	...	101	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.44	..	...	...	...	...	94	85
Gotfred., c. (no par)	.	...	14	12	12	15	175	15	12
Int. Nic., c. (par $25)	$2	2.24	93	81½	89	85½	139841	93	38
King Edward Hotel	$2	3.77	58	52	52	57	125	60	12
Lyall Construction	.	...	47	47	47	45	15	63	25
Loew's, com.	.	...	40	40	40	40	95	47	38
Do. pref.	7	6.79	..	...	...	...	...	105	96½
National Brick, com.	.	...	5	5	5	4	10	10	4
Do. pref.	6	8.57	70	60¼	65¼	60	445	81	56
Pacific Burt, com.	6	4.95	121	119½	120	117	185	121	87
Do. pref.	7	5.83	..	...	...	...	...	120	99¾
Port Hope San., com.	4	2.09	191⅝	190	191⅝	200	160	200	125
Do .pref.	7	6.03	..	...	...	...	...	116	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	6.93	101½	101	101	100¼	45	102	92
Sher-Williams, com.	6	3.33	..	...	...	...	...	207	142
Do. pref.	7	5.60	126	126	126	125	69	127	117
Standard Chem., pref.	.	...	25	25	25	23	14	26	15
Sterling Coal	.	...	..	...	...	...	...	36	20
Tooke Bros., com.	.	...	20	20	20	20	53	20	5
Do. pref.	7	10.00	..	...	...	...	...	72½	65
Tuckett Tobacco, c.	4	4.21	..	...	...	...	...	100	69
Do. pref.	7	5.98	118	116	116	116	113	118	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.75	..	...	...	...	...	89	75
Beverage—									
Brading Brew. (n.p.)	$2	7.70	..	...	...	...	...	85½	20
Brew. & Distil. (p. $25)	5	1.47	17½	16½	16¾	17¼	800	18	4½
Can. Brew. (no par)	$2	5.55	36¾	35	36	36¼	3318	39½	22¼
C. Ind. Alc. (no par)	$1.52	4.22	37⅞	36½	37	37	6754	43⅞	21¼
Can. Malting (no par)	.	...	37¼	35⅞	36	37¼	6007	38½	27¾
Carling Brew. (no par)	$2	5.12	39	37½	39	38½	6320	40	22⅞
Com. Alcohol (no par)	$1	3.03	33½	25¾	33	25	2655	70	15
Do. pref.	8	7.61	..	...	...	...	...	110	103
Cosgrave B. (par $10)	6	6.66	9	8½	8¾	9	410	12	6
Chas. Gurd, c. (no par)	$2	2.10	95¾	93¼	93¼	95	3395	100	28⅞
Do. pref.	7	6.54	107	106	107	107	55	110	93
Hiram Walker (n. p.)	$2	2.94	69	64¼	68	67	32951	69	28½
Lake Ont. Brew. (n.p.)	$2	8.00	25	24	24	24	375	31½	18
Nat. Brew., c. (n.p.)	4	3.47	117	118	113	116¼	17152	117	65
Do. pref.	7	5.62	124½	122	122	122	50	124½	105
Nat. Distilleries	.	...	21	19¾	20	20	370	24	19
Seagram (no par)	-	...	26¾	25	25½	26⅛	12520	28⅞	15
Toronto Brew. (n. p.)	.	...	9½	9⅓	9½	10	300	13⅛	8
Oil—									
Ajax	.	...	80	71	74	73	110050	80	6½
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	-	...	17½	17	17	15½	...	20¾	13
Brit. Am. Oil (n.p.)	80+20c	2.58	40	38¾	39	39	760	40	20
Can. Oil, c. (no par)	$1	1.66	60	44	59	45	45969	60	21
Do. pref.	8	5.92	146	135	146	136	10782	146	115½
Continental Oil	$1	4.08	22	22	22	20	21	22¼	16½
Foothills Oil	.	...	2.40	2.40	2.40	2.05	100	3.25	2.00
Frontenac Oil	.	...	34	31	32¾	32	100	40	28½
Imperial Oil (no par)	$1.50	2.50	61	59	59¾	62¼	6647	64½	37¾
Int. Pete. (no par)	75c	2.02	88	36¾	37½	37	7505	39½	28
McColl, c. (no par)	80+50c	2.03	64½	64¼	64¼	64	15224	64½	22½
North Star, c. (par $5)	.	...	2.60	2.50	2.60	2.50	113	2.60	1.55
Do. pref. (par $5)	7	...	6.50	5.10	6.50	5.00	297	6.50	4.90
Petrol Oil	.	...	21⅞	17½	20¾	20	1.40	25	7
Supertest Pet., c.	50+50c	1.31	76½	70	76½	75	24600	78	35
Do. pref.	7	7.21	97	97	97	99	287	100	92½
Trojan Oil	.	...	..	...	...	...	30	8.60	4.00
Venezuel. Pet. (p. $5)	.	...	..	...	...	...	...	7½	6½
Volcanic Oil	$1.40	5.00	..	...	...	...	...	47¼	23
Vacuum Gas	.	...	12½	12½	12½	12½	1200	26	8
McColl-Frontenac	.	...	33½	32¾	32⅞	...	5544	33½	32¾
Trust and Loan—									
Can. Permanent	12	5.19	231	230½	230½	230	43	235	216⅛
Col. Invest. (par $10)	6	...	5	5	5	4	4	7	5
Econ. Invest. (par $50)	4	3.44	58	58	58	58	150	60¼	53
Huron & Erie	7+½	4.93	152	152	152	152	4	152⅛	139
Landed Banking	10	5.00	..	...	...	...	...	200	161
Mont. Loan (par $50)	12+1	6.76	..	...	...	...	...	52¾	47
National Trust	12+1	4.56	..	...	...	...	...	285	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.54	..	...	...	...	...	107	100
Toronto Gen. Trusts	12	4.41	..	...	...	...	...	272	220
Toronto Mtge. (p. $50)	10+1	5.09	..	...	...	...	...	110	100
Union Trust	7+1	5.92	135	135	135	135	95	135	104
CURB AND UNLISTED MARKETS									
Asch, com. (no par)	.	...	30	28	30	29	35	34½	27½
Do. pref.	.	...	93	93	93	93	1	94	93
Anticosti, pref.	7	...	..	...	...	...	...	98¾	98
Attendu Eng. (par $1)	.	...	14⅞	12	12	14½	530	35½	8
Belding, com.	6	7.50	80	80	80	80	30	88	67
Do. pref.	7	7.07	..	...	...	...	...	100	96½
Can. Celanese (n.p.)	.	...	78	76	77¼	77	1541	85½	52¾
Do. pref.	.	...	103	100	100	103	790	103½	88
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Nor. Pr., c. (n.p.)	.	...	70	65	70	71	40	75	42
Do. pref.	7	7.00	100	100	100	101	9	102	97
Cockshutt, pref.	4	3.67	112½	106¾	109	112	2525	115⅛	67
Cooksville Sh. Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	55	50½
Dom. Engineering	$2	3.33	65	52¾	62	54	2412	65	45
Dom. Power, pref.	7	6.93	..	...	...	...	...	102	100
Dryden Paper (n.p.)	.	...	36	33	83½	36	4003	37	9½
E. Dairies, c. (n.p.)	.	...	54½	52½	53	54½	385	67¾	20½
Do. pref.	7	7.07	..	...	...	...	...	101	94
Eng. Elec., c. (no par)	.	...	11	11	11	12	...	18	11
Do. pref.	-	...	78	78	78	76	4	95	72½
Farm. Dairy, c. (new)	.	...	27	25½	26	26½	10	27	26
Do. pref.	7	...	..	...	...	...	2370	110	105
For. Pr. Secs. (no par)	.	...	45¼	40	43	40	...	46	29
Illinois Power, pref.	7	6.96	..	...	...	...	3005	101½	98
Imp. Tob., c. (p. $5)	6+2	4.10	9⅞	9¼	9⅝	9¾	...	11	6¾
Inter. Power, com.	.	...	43	42	42½	43	18125	50	14½
Do. pref.	7	7.17	98	97	97¾	98	291	98	85
Kemsley Milburn	.	...	16⅝	15⅝	16½	16⅛	162	17⅞	14⅝
Loew's London, com.	3	...	5¾	5⅜	5⅝	5⅝	3145	7¾	4¼
Man. Power (no par)	$2	2.27	88	85	85	85	...	96½	50
Do. Rts.	.	...	..	...	...	...	388	17	8½
Mitchell, J. S.	.	...	39	38	38	38	210	41	28
Do. pref.	.	...	99½	99½	99½	...	10	99½	99½
Mount Royal com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
North. Bak. (no par)	.	...	46½	42½	45½	45	20782	46½	25
N.S. Car, c. (no par)	.	...	45	41	43¼	41½	13510	45	18¼
Ott. Mtl. Pr., c. (n.p.)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	...	..	...	...	...	...	53⅜	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg. (no par)	.	...	..	...	...	...	...	60	50
Do. pref.	.	...	103	103	103	99	5	103	95
Perfection Glass	.	...	3½	3⅝	3⅝	3½	1405	8	3
Photo Eng. (no par)	.	...	40	33½	39¾	34	6107	40	31
E. L. Ruddy, pref.	.	...	100½	100	100½	100	20	101	100
Service Stn. Equip.	$1.60	3.80	44¾	38¼	42¾	38½	15275	44¾	31
St. Maur. Power	4	2.31	173	170	172	173	265	175	96
Simpson, Robt., pref.	6	5.85	102½	102½	102½	103	10	103	100
Sover. Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (n.p.)	.	...	..	...	...	...	...	108	35
Do. pref.	.	...	101	100	100	101	695	120	104
Standard Clay	8	6.66	120	120	120	116	10	40	38
United Secs., com.	.	...	..	...	...	...	30	70½	43½
Do. pref.	.	...	64½	64	64½	64	83	118	103¼
Wallace Sand	6	5.71	105	104½	105	104½	...	3	2⅛
Wolthausen (no par)	-	...	..	...	...	...	...	25	20

xArrears.

Bond Movement of the Week

Week Ending January 10

Bonds	Int. Rate	Due	Yield	Range 1927 High	Low	Range 1928 High	Low	Ask	Latest Price Bid	High	Low
Asbestos	6	1956	6.14	98	88	98	97½	98½	98	98	..
Can. Bread	6	1941	5.18	107	105	108	108	...	107	108	...
Can. Canners	6	1950	5.84	102	96½	102	101¾	101¾	101½	102	101¾
Dom. Iron	5	1929	7.74	93¾	69	95	94	...	95	95	94
Dom. Rubber	6	1946	5.78	108¾	102¾	102½	102½	...	103¾	102½	...
Lyall Cons.	6	1932	6.29	95¼	94	98¾	98¾	...	98¾	98¾	...
Montreal Tram. G. & R. "B"	5	1955	5.00	96	94	100	99½	100⅛	100	100	99½
Do. Gen. Mtge. A.	5	1955	5.00	100	94¼	100	99¾	100⅞	99⅜	100	...
Do. 1st Mtge.	5	1941	4.82	101½	97⅞	101⅞	100⅜	101⅞	101¼	101⅜	...
Quebec Rly.	5	1939	4.83	101½	96	101½	101⅜	101¼	101	101½	101⅜
Wabasso	6	1947	5.70	108½	100⅜	103½	103½	...	103½	103½	...
Wayagamack	6	1951	5.73	103½	97	103½	103½	...	103½	103½	...
War Loan	5	1931	4.30	102.70	100.10	102.70	102.50	102.65	102.50	102.70	102.50
Do.	5	1937	4.21	106.75	102.95	106.70	106.20	106.60	106.35	106.40	106.20
Victory Loan	5½	1933	4.30	106.55	103.35	106.50	106.20	106.40	106.25	106.45	106.20
Do.	5½	1934	4.53	105.55	102.80	105.50	105.10	105.40	105.30	105.50	105.10
Do.	5½	1937	4.15	111.15	106.85	110.95	110.50	110.90	110.70	110.95	110.50
Do., Renewal	5½	1932	4.50	104.40	101.85	104.45	104.00	104.35	104.15	104.45	104.00
Do., Refund	5	1928	4.48	101.50	99.75	100.50	100.30	100.65	100.50	100.50	100.30
Do.	4½	1940	4.82	103.40	96.50	102.65	102.60	102.65	102.40	102.65	102.60
Do.	5	1943	4.47	106.40	102.30	106.00	105.15	105.90	105.70	106.00	105.15
Do.	4½	1944	4.32	103.00	96.60	102.90	102.55	102.60	102.55	102.90	102.55
Do.	4½	1946	4.30	102.70	96.70	102.85	102.70	102.95	102.85	102.85	....

Dividends Declared

	Rate	Date	Record
Christie Brown, com.	30c	Feb. 1	Jan. 15
Do. pref.	1¾%	Feb. 1	Jan. 20
Wpg. Electric, com.	$1	Jan. 16	Nov. 30
Manitoba Power	$2	Jan. 16	Dec. 15
Can. Nor. Power, pfd.	1¾%	Jan. 16	Dec. 31
So. Can. Power, pf.	1½%	Jan. 16	Dec. 24
Steel of Can., com.	1¾%	Feb. 1	Jan. 7
Do. pfd.	1¾%	Feb. 1	Jan. 7
Teck Hughes	10+5	Feb. 1	Jan. 17
Brant. Cordage, pfd.	2%	Jan. 15	Dec. 20
Mining Corp.	12c	Jan. 25	Jan. 10
St. Maur. Pr.	1%	Jan. 16	Dec. 31
Dom. Textile, pref.	1½%	Jan. 16	Dec. 31
Inter. Paper, pref.	1½%	Jan. 16	Dec. 29
Do. pref.	1¾%	Jan. 16	Dec. 29
Dom. Power, pref.	1¾%	Jan. 16	Dec. 21
Nipissing	1½%	Jan. 20	Dec. 31
East. Theatres, pfd.	3½%	Jan. 31	Dec. 31
Dome Mines	25c.	Jan. 20	Dec. 31
Cons. Smelters	5+$5	Jan. 16	Dec. 31
Brompton, c.	50c.	Jan. 16	Dec. 31
Mutual Finance, c.	5%	Jan. 15	Dec. 20
Do. pref.	4%	Jan. 15	Dec. 20
Can. Guar. Trust	3%	Jan. 16	Dec. 15
Monarch Mtge., com.	5c.	Jan. 15	Dec. 31
Do. pref.	4%	Jan. 15	Dec. 31
Russell Motor, com.	4%	Feb. 1	Dec. 31
Do. pref.	1¾%	Feb. 1	Dec. 31
Montreal, L. H.	50c.	Jan. 31	Dec. 31
Span. River, com.	1¾%	Jan. 16	Dec. 31
Do. pref.	1¾%	Jan. 16	Dec. 31
Inter. Utilities "A"	87½c.	Jan. 15	Dec. 29
So Canada Power, c.	$1	Feb. 15	Jan. 31
Power Corp., pfd.	1½%	Jan. 16	Dec. 31
Nor. Ont. Light, pref.	3%	Jan. 25	Dec. 31
Imperial Bank	3%	Feb. 1	Jan. 16
Western Groc., pfd.	1¾%	Jan. 15	Dec. 31
Penmans, com.	$1	Feb. 15	Feb. 6
Do. pref.	1½%	Feb. 1	Jan. 31
Brading Brew., c.	50c.	Jan. 16	Dec. 31
Can. Brewing, c.	50c.	Jan. 16	Dec. 31
Can. Ind. Alcohol	38c.	Jan. 16	Dec. 31
Can. Fairbanks, pfd.	1½%	Jan. 16	Dec. 31
Maple Leaf Mill., pfd.	1¾%	Jan. 18	Jan. 3
Standard Bank	3%	Feb. 1	Jan. 16
Tooke Bros., pfd.	1¾%	Jan. 16	Jan. 2
Abitibi, c.	$1.25	Jan. 20	Jan. 10
Montreal Tel.	2%	Jan. 16	Dec. 31
Quebec Power	50c.	Jan. 16	Dec. 31
Belding Cort., c.	3%	Feb. 1	Jan. 14
Inter. Paper, c.	60c.	Feb. 15	Feb. 1
Brazilian Tr.	1¾%	Mar. 1	Jan. 31
Brew. & Distil	50c	Jan. 16	Jan. 16
Stanfords, 1 & 2 pfd.	1¾%	Feb. 1	Jan. 16
King Ed. Hotel, c.	$2	Jan. 15	Jan. 5
Hollinger	2%	Jan. 28	Jan. 11
Can. Bronze, pfd.	$1.75	Feb. 1	Jan. 20
Zimmerknit, pfd.	1¾%	Feb. 1	Jan. 25
Com. Alcohol, c.	25c	Jan. 20	Jan. 10

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Premium)	Last year Low (Premium)
Jan. 5	11-64	11-64	3-16	5-32
Jan. 6	3-16	11-64	9-64	1-8
Jan. 7	3-16	11-64	5-32	1-8
Jan. 9	3-16	11-64	3-16	5-32
Jan. 10	3-16	11-64	3-16	3-16
Jan. 11	3-16	11-64	3-16	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 5	4.87 1-2	3.93 1-8	5.28 1-4
Jan. 6	4.87 3-16	3.92 7-8	5.28 3-4
Jan. 7	4.86 13-16	3.95 5-8	5.28 1-2
Jan. 9	4.86 15-16	3.92 3-4	5.28 5-8
Jan. 10	4.87 1-16	3.92 3-4	5.28 3-4
Jan. 11	4.87 3-16	3.92 7-8	5.28

FOREIGN EXCHANGE

Par		Jan. 4	Jan. 11
13.90	Italian	5.29½	5.30
23.82	German	23.91	23.85
19.30	Belgium	14.01½	13.98
84.85	Japan	46.92	37.02

RAILWAY EARNINGS

Week end. Jan. 7.	1928	1927	Changes
C. P. R.	$3,206,000	$3,421,000	—$215,000
C. N. R.	3,777,897	3,739,820	+ 38,077

Unlisted Stocks

These prices are mostly as at January 9, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	55.00	....
Brder Cities, pfd., bonus c.	31.00	40.00
Brandram Henderson, com.	18.00	22.00
Brandram Henderson, pref.	81.50	....
Brantford Roofing	97.00	....
Canada Machinery, com.	7.00	9.50
Canada Machinery, pref.	26.00	30.00
Can. Paperboard, pref.	....	90.00
Canadian Westinghouse	230.00	255.00
Caulfields Dairy, com.	25.00	....
Copeland Flour Mills, pref.	18.50	....
Dom. Alloy, pf. bonus com.	....	2.00
Dom. Foundries & Steel, c.	2.00	4.50
Dom. Foundries & Steel, pf.	25.00	....
Dom. Linens, pref.	15.50	21.00
Dom. Manufacturers, com.	7.00	....
Dom. Manufacturers, pref.	69.00	....
Dom. Power, com.	40.00	45.00
Dom. Power, pref.	101.00	104.00
Dom. Sewer Pipe, com.	60.00	....
Dom. Sugar, com.	21.50	25.00
Dom. Sugar, pref.	94.00	97.00
Dunlop Tire, pref.	99.25	....
Durant of Canada	4.00	5.50
Gillett, E. W.	66.00	....
Goodyear Cotton, 7% pref.	101.50	....
Greening Wire, pref.	96.50	....
Guardian Realty, pref.	60.00	65.00
Huethers Brewing, pref.	1.75	3.75
King Edward Hotel "A"	81.00	84.00
King Edward Hotel "B"	75.00	77.00
Kingston Ship-Building, pf.	18.00	....
Loew's Buffalo, pref.	28.00	30.00
Loew's London, com.	5.00	5.75
Loew's London, pref.	8.00	8.50
Loew's Mansfield, pref.	85.00	88.00
Milton Brick Co.	16.00	....
National Steel Car, com.	41.00	44.00
Palace Thea. (Mont.), pfd.	80.00	....
Pure Food, com.	26.00	29.00
Simpson, Robt., pref.	102.50	....

Insurance

British America	45	..
Canadian Fire, full pd.	115	125
Canada Life	975	1025
Canada National	16	20
Casualty of Canada, full pd.	180	..
Capital Life, 20% pd.	22	25
Confederation Life, 10% pd.	90	..
Continental Life, 10% pd.	65	..
Crown Life, full paid	325	..
Dom. of Can. Guar. & Ac.	325	..
Dominion Fire	105	..
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% pd.	115	130
Federal Fire, 25% paid	40	..
Fidelity of Canada, full paid	140	150
Great West, full paid	530	550
Imperial Life, 85% paid	425	..
Manufacturers Life, 45% pd.	425	475
Monarch Life, 10% paid	41	45
Montreal Life, 20 paid	70	..
National Life, 25% paid	70	75
Ontario Equitable, 10% paid	38	40
Security Life, 45% paid	10	20
Sovereign Life, 25% paid	57	65
Sun Life, 75% paid	1750	1850
Toronto Casualty	27	30
Western Assurance	62	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$104.00	$....
British Mortgage & Trust	207.00	....
Capital Trust	55.00	65.00
Chartered Trust	82.50	86.00
Commercial Finance, com.	25.00	30.00
Commercial Finance, pfd.	78.00	84.00
Debentures & Sec., com.	70.00	....
Debentures & Sec., pref.	70.00	....
Lambton Loan & Savings	82.00	....
London Loan & Savings	45.00	50.00
Mfg. Finance, pfd. bonds, c.	6.00	7.00
Midland Loan & Savings	16.50	....
Mortgage Discount, pref.	6.50	8.00
Mortgage Discount, com.	.40	.80
Standard Trusts Co.	36.00	39.00
Mutual Finance, com.	6.75	7.50
Mutual Finance, pref.	6.75	7.50
Peoples Loan & Savings	79.00	....
Sherbrooke Trust Co.	106.00	....
Saskatchewan Mortgage	31.00	....
Sterling Trust Co.	94.00	....
Toronto Finance, pref.	2.00	3.50
Waterloo Trust & Savings	104.00	....

Club Shares

	Bid	Asked
Bayview Golf	$	$ 40.00
Lakeview Golf	40.00	70.00
Lake Shore Golf	10.00	30.00
Lambton Golf	400.00	450.00
Mississauga Golf	20.00	35.00
Rosedale Golf	125.00	150.00
Summit Golf	....	43.00
Thistledown Golf	40.00	60.00
Thornhill Golf	....	90.00
Toronto Winter Club	40.00	....
Weston Golf	75.00	90.00
York Downs Golf	....	280.00

Recent London Quotations

	Sales
Calgary Power	101
Hudson's Bay	91s. 3d.
Hudson's Bay, 5% pref.	100s.
Can. West Lumber	7s.
Standard Chemical, 7%	21
Dominion Tar	43s. 3d.
Mond Nickel	145s.
Lake Superior	3

Recent Vancouver Quotations

B. C. Telephone, pfd., new	105½b.
Pacific Coyle, com.	10½b.
Gosse Packing, com.	51b.
Do. pref.	65b.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	..	105
Home Inv. and S. Assn.	74	..
N. Mtge., fully paid	80	..
N. Mtge., 50% paid	36	36
Northern Trusts Co.	46	48
Standard Trusts Co.	..	35½
No. Star Oil Co., pref.	5.10	5.15
No. Star Oil, com.	3.00	2.50

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	101	..
Abitibi P. & P. 6s, 1940	105	..
Algoma Steel 5s, 1962	43	45
Alberta Pac. Grain, 6s, 1946	101	102½
Bell Telephone, 5s, 1955	104¼	104⅞
Belgo Can. Paper, 6s, 1943	102½	103½
Brandram-Henderson, 6s, 1939	85	89
B.C. Pulp & Paper, 6s, 1950	87	91
Brompton P. & P., 6sc, 1946	102	103
Burns, P. & Co., 6½s, 1943	103¼	..
Calgary Brewery, 5s, 1942	93½	94⅜
Calgary Power 5s, 1940	93¾	..
Canada Biscuit, 6½s, 1946	102	103½
Canada Lt. & Pr. 5s, 1949	95	96
Can. Nor. Power 6s, 1941	102¼	..
Can. Paperboard, 7s, 1937	98	99½
Can. Steamships, 5s, 1943	101	..
Can. Steamships, 6s, 1941	101¾	102¼
Can. Steel Foundries, 6s, 1936	106	..
Davies, Wm., 6s, 1942	94	96
Dominion Iron, 5s, 1939	43½	..
Drummond Invest. 6½s, 1938	98½	100½
Duke Price, 6s, 1966	105¾	106½
East Kootenay Pr. 6s, 1966	104	105
Elec. Development 5s, 1933	100¾	101½
Famous Players, 6½s, 1943	100¾	..
Fraser Co., 6s, 1950	101⅜	102½
Gatineau Power, 5s, 1956	99¼	100
Gatineau Power, 6s, 1941	102¾	103½
Howard Smith P. & P. 6s, 1841	104¾	..
King Edward Hotel, 7s, 1944	95	96½
Lake Superior P. & P. 6s, 1941	106½	108
Laurentian Pr. 6s, 1936	110	..
Laurentide Pr. 5½s, 1946	101¼	..
Manitoba Pr. 5½s, 1951	102¾	103¾
Mont. L. H. & Pr. 5s, 1951	101⅝	102¼
Mont. Pub. Service, 5s, 1942	100¼	102
N. B. Power 5s, 1937	62⅝	..
Nor. Ont. L. & P. 6s, 1946	103¾	104¾
Nor. West Utilities 7s, 1938	100	102
Nova Scotia Steel, 5s, 1959	64	..
Nova Scotia 6% Debs.	33½	36½
Nova Scotia Tram. 5s, 1946	95¾	..
Nova Scotia Tram. 7s, 1952	100¼	..
Ont. Pulp & Paper, 6s, 1931	108¾	..
Ottawa Hull Pr. 6s, 1948	103	..
Ottawa L. H. & Pr. 6s, 1953	103	..
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	101¾	102¾
Ottawa River Pr. 6½s, 1953	103	104
Port Alfred P. & P. 5½s, 1957	96½	97¼
Price Bros. 6s, 1943	105	106¼
Prov. Lt. Pr. 5s, 1946	100¾	..
Rio Tramways 5s, 1935	98	98
Sao Paulo Tram. 5s, 1929	98½	99½
St. Lawrence Paper, 6s, 1946	101	102
St. Maurice Valley 5½s, 1957	96	97½
St. Maurice Pr. 6½s, 1953	107¼	..
Shawinigan W. & P. 4½s, 1967	..	97¼
Simpson's, Ltd., 6½s, 1945	103¾	..
Southern Can. Pr. 5s, 1955	100	..
Spanish River P. & P. 8s, 1941	107	108½
West Kootenay Pr. 6s, 1943	104	..

Public Utility Earnings

JAMAICA PUBLIC SERVICE

November—	1927	1926
Gross earn.	$ 61,415	$ 56,871
Net earn.	28,356	24,434
Surp. after charges	22,280	18,267
12 mos. end. Nov. 30	1927	1926
Gross earn.	$687,004	$650,149
Net earn.	2[illegible],251	254,967
Surp. after charges	2[illegible]793	180,197

The dividends of experience

A WOMAN with her husband's life insurance to live on, or the proceeds of the sale of the farm to re-invest—and no business or financial training to do it with—is headed pretty straight for the shrinking dividends of inexperience—

Unless — she gets some sound straight-from-the-shoulder advice

Thrifty management will bring to her freedom from care and worry, assured comfort, and the Dividends of Experience, all of which may be obtained by the appointment as Executor and Trustee of your Estate of

THE CANADA PERMANENT TRUST Co
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Stock Market Index

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Jan. 11	119.3	114.4
Week of Jan. 4	119.9	116.0
Month of Jan., 1927	85.8	81.9
9 Bank Stocks		
Week of Jan. 11	$289	$284
Week of Jan 4	285	282
Month of Jan., 1927	242	230
10 Public Utilities		
Week of Jan. 11	$113	$110
Week of Jan. 4	113	110
Month of Jan., 1927	91	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	7	1	1	9
Paper	5	9	5	19
Steel	16	6	16	38
Foodstuffs	29	12	18	59
Utilities	12	7	11	30
Tractions	2	5	8	15
Textiles	6	8	4	18
Industrial	34	24	39	97
Total	111	72	102	285

NEW YORK CURB

	Close Jan. 11	Close Jan. 4	Close Dec. 28
Brit. Amer. Oil	*39	39¾	37
Bunker Hill	141	141¼	..
Can. Marconi	3 13/16	3½	3 7/16
Durant	10⅛	9⅝	9⅝
Ford Canada	550	560	575
Imp. Oil Can.	59	59¾	59¼
Inter. Petroleum	38⅛	36⅞	58¾
Inter. Util. "A"	49⅞	51	..
Do., "B"	9⅝	10¼	9⅛
Nipissing	5½	5⅝	6
Noranda	22¼	23½	..
Premier Gold	*3	2¼	2¼

*Close Jan. 10th.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft Erie Bridge 7s, '55	108¼	...
Do., 8s '45	108	...
Buff. Gen. Elec. 1st 5s, '39	104⅝	...
Bfo. N. & E. Pow. 5s, '30	103	[illegible]
Lockport L. H. & P. 5½s, '54	102½	[illegible]

MINING STOCK QUOTATIONS

Week Ending January 10

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Jan. 10	Sales for wk.	Range 1927 High	Low	Range 1928 High	Low
Abana	1	....	....	3.95	3.50	3.52	37470	4.90	.20	3.95	3.50
Aconda	1	....	....	34½	32½	33½	244850	45	14½	34½	32½
Afton	1	....	....	1.38	1.32	1.38	10040	1.30	1.00	1.38	1.32
Algonquin	1	....	....	3	2¼	2¼	22300	5¼	2	3	2¼
Allied M.		....	....	....	....	....	....	5.51	2.70	....	....
Amity C.	.	....	....	44	37	39½	146500	50	24½	44	37
Arno	.	....	....	28	25	25	2000	....	....	28	25
Amulet	1	....	....	5.00	4.70	4.85	104656	7.10	.85	5.00	4.70
Apex	1	....	....	9	8¼	8½	63200	10	1	9	8¼
Area	1	....	....	.32	.28	.28	91150	1.95	.23	.32	.28
Argo. Con.	1	....	....	34	30	30½	107150	59	25	34	30
Archean	.	....	....	....	....	....	....	18	17	....	....
Atlas	1	....	....	4½	4	4	....	7	2	4½	4
Ankerite	.	....	....	1.23	1.09	1.09	31800	1.25	1.15	1.23	1.09
Bagamac	.	....	....	....	....	....	5450	19	6	....	....
Baldwin	1	....	....	3½	2¼	2¼	....	5¼	1	3½	2¼
Bedford	.	....	....	44	40	42	51000	52	19	44	40
Barry Holl.	1	....	....	1.20	1.11	1.12	45950	1.50	.25	1.20	1.11
Beaver	1	....	....	2.22	2.06	2.06	147050	2.75	.59½	2.25	2.06
Bellellen L.	1	....	....	....	....	....	17200	23½	3	....	....
Bidgood	1	....	....	1.45	1.00	1.15	....	1.83	.5	1.60	1.00
Boischatel	None	....	....	5	4½	4½	603980	27	3	5	4½
Bourlamaque	1	....	....	....	....	....	38300	1.53	.50	....	....
Buckingham	1	....	....	7	6	6¼	....	9¼	3	7	6
Bunker Hill	10	....	....	....	....	....	23300	160	75½	....	....
B.C. Develop.	.	....	....	1.46	1.35	1.40	....	1.32	1.12	1.46	1.35
Cambro	.	....	....	55	52	52	17750	58	55	55	52
Can. Lorraine	1	....	....	18½	15	15	8000	72	10	18½	15
Capitol S.	1	....	....	18½	16	18½	2600	34	14	18½	16
Capitol R.	1	....	....	16½	14¾	15½	2500	54¼	10	16½	14¾
Castle Tre.	1	....	....	.78	.75	.75½	198200	1.27	.61	.78	.75
Cen. Man.	1	....	....	1.95	1.79	1.80	11650	2.30	1.07	1.95	1.79
Chaput H.	1	....	....	18	14	14½	33485	20	4½	18	14
Clifton	1	....	....	1½	1½	1½	109300	3¼	½	1½	1½
Coast Copper	5	....	....	48	36	45	26500	43.25	9.75	48	36
Col. Kirk	1	....	....	9	7½	8	11137	16	1½	9½	7½
Clericy	.	....	....	30½	20	20	292050	31¼	31	30½	20
Coniagas	5	....	....	5.00	4.80	4.90	8550	5.05	3.20	5.00	4.80
Coniaurum	5	....	....	5.50	5.50	5.50	3520	5.78	2.80	5.50	5.50
Cons. Smelter	25	10+10	7.97	256	251	251	120	274½	215	256	251
C. W. Dome	1	....	....	....	....	....	2911	19	4	....	....
Copper Hill	1	....	....	46	45	45	....	68	36	46	45
Corona	1	....	....	15	12¼	12¼	1800	37	10	16	12½
Crown Res.	1	....	....	70	60	62	94900	80	39	70	60
Davidson	1	....	....	....	....	....	90088	3	1	....	....
Destor	1	....	....	20	20	20	....	43	20	20	20
Dome Mines	None	$1	7.70	13.25	12.50	13.00	1000	14.60	6.85	13.25	12.50
Dom. Lead.	.	....	....	....	....	....	6012	1.73	1.05	....	....
Dom. Kirk.	1	....	....	6½	5½	5½	....	12	1¼	6½	5½
Don. Rouyn	1	....	....	22	18	20	25100	56¼	17½	22	18
Dubec	1	....	....	.57	.50	.50	8000	1.48	.35	.57	.50
Duprat	1	....	....	10½	9	9	21570	21	9¾	10½	9
Dupuy	1	....	....	....	....	....	43500	79¼	9	....	....
Everett	1	....	....	3	2½	2½	....	5½	1¼	3	2½
Federal Kirk.	1	....	....	76	72	73	18500	78	40	76	72
Fiske	1	....	....	....	....	....	38900	30¼	5	....	....
Fisher, Que.	1	....	....	....	....	....	....	2.20	.50	....	....
Gifford	1	....	....	....	....	....	....	1¼	¾	....	....
Gladstone	10	....	....	....	....	....	....	29	4	....	....
Goldale	1	....	....	44	39	44	....	51¼	20	44	39
Gold Hill	1	....	....	38	34	36½	34200	54	22	38½	34
Gold Ore	1	....	....	....	....	....	178969	2.45	.50	....	....
Gold Reef	1	....	....	2	2	2	....	2½	½	2	2
Granada R.	.	....	....	35	31	32	11500	41	14½	35½	31
Grover Daley	1	....	....	14½	11	12	152070	37	8	15	11
Goodfish	.	....	....	78	53½	73	27400	....	....	78	53½
Harvie Exp.	None	....	....	.85	.75	.75	129650	2.40	.50	.85	.75
Hillcrest, c.	100	6	10.00	....	....	....	23105	65	50	....	....
Hillcrest, p.	100	7	8.09	86½	86¼	86½	....	90	81¼	86½	86¼
Hilltop	1	....	....	23½	17	22½	15	25	6½	23½	17
Hollinger	5	26	7.30	18.10	17.60	17.80	77806	22.65	16.40	18.10	17.60
Howey Gold	1	....	....	1.91	1.55	1.66	3795	1.78	.42	1.91	1.55
Indian	1	....	....	8	5	7½	681780	12	4	8	5
Int. Nickel	25	$2	2.24	93	81½	89	6000	90¼	38	93	81½
Jackson M.	1	....	....	83½	78½	80	189841	86	36	86	78½
Jay Copper	.	....	....	....	....	....	156750	1.36	.30	....	....
Keeley	1	16	24.20	.69	.65	.66½	....	1.66	.69	.69	.65
Keora M.	1	....	....	5	4½	5	9230	13½	2	5	4½
Kirk. G. B.	.	....	....	....	....	....	1900	1.29	.75	....	....
Kirk. Hunt	1	....	....	26	22	22¼	....	35½	10	26	22
Kirk. Lake.	1	....	....	2.70	2.54	2.55	68100	3.06	.82	2.75	2.54
Koot. Flor.	20c.	....	....	31	28	31	208625	31	22	31	28
Lebel Oro.	1	....	....	57	48	48	84910	66	30	59	48
La Rose	1	....	....	7	5	7	19200	12	3	7	5
Lake Shore	1	40+10	1.88	27.70	26.50	26.50	1800	28.20	15.40	27.70	26.50
Lakeside L.	1	....	....	....	....	....	8225	6	½	....	....
Laurier	None	....	....	....	....	....	....	65	45	....	....
Laval	1	....	....	25	21	21¼	....	59	19½	25	21
Lorrain C.	1	....	....	....	....	....	189120	3¼	1	....	....
Lorrain T.L.	1	....	....	....	....	....	....	.86	.52	....	....
Macassa	1	....	....	52	49½	49½	....	69	18	52	49½
Malartic	1	....	....	81	73	77	116800	78	23½	83	73
Marclay	1	....	....	....	....	....	226600	42	34½	....	....
Marriott	1	....	....	46	40	45	....	45	35	46	40
McDougall.	1	....	....	54	50	51	104700	90	24	54	50
McKinley	1	....	....	20	18½	19	47700	25¼	11	20	18½
McIntyre	5	20	3.63	27.75	27.40	27.50	10100	29.00	24.00	27.75	27.25
Mentor	10	....	....	....	....	....	6097	14.00	12.00	....	....
Millcrest	1	....	....	11½	10	10½	....	15	2	12	10
Mining Corp.	5	25 c.	....	4.60	3.80	4.32	37850	5.05	2.90	4.60	3.80
Moneta	1	....	....	....	....	....	120312	15½	8¼	....	....
Montreal R.	1	....	....	10	10	10	....	33	10	10	10
Newbec	1	....	....	.65½	.60	.60	1050	1.20	.62½	.66	.60
Newray	1	....	....	....	....	....	40600	50	28	....	....
Night Hawk	1	....	....	10	8½	9	....	10½	4	10	8½
Nipissing	5	6	5.50	5.80	5.40	5.45	147500	10.30	5.25	6.00	5.40
Noranda	None	....	....	23.60	22.00	22.30	7310	28.50	19.95	23.75	22.00
Ophir	1	....	....	2½	2¼	2¼	22254	4⅛	¼	2½	2¼
Osisko	.	....	....	.64	.47½	.56	500	1.75	.35	.64	.47½
Pawnee Kirk.	1	....	....	80	73	.76½	61100	78	54	80	72½
P. L. Cobalt	1	....	....	8	6	8	117850	18	2	8	6
Porc. Crown	1	....	....	7	6¼	6½	37400	11	3	7	6¼
Pioneer	1	....	....	.60	.50	.57½	12800	1.18	.45	.60	.51½
Potter Doal	None	....	....	18	15½	16¼	155625	65	10½	19	15½
Premier Gold	1	32	13.33	2.40	2.15	2.40	166350	2.50	1.86	2.40	2.15
Preston	1	....	....	5	4⅞	4⅞	12000	7	3	5	4⅞
Realty & M.	.	....	....	16½	15	15	6000	38	15	17	15
Ribago	1	....	....	24¾	20	22¼	11300	87	13	25	20
Rouyn	1	....	....	....	....	....	216300	5	1	....	....
Rouyn Gold	1	....	....	2⅞	2	2⅞	....	4	2⅛	2⅞	2
Rouyn Que.	1	....	....	1½	1½	1½	4000	4⅛	1	1½	1¼
Rubec	1	....	....	.75	.45	.45	9000	3.65	.80	.80	.45
San Antonio	.	....	....	54½	50	53½	14600	57	30	54½	50
Sherritt-G.	.	....	....	6.00	5.90	6.00	179550	....	....	6.00	5.90
" V. Trust	.	....	....	6.00	6.00	6.00	2350	....	....	6.00	6.00
Silver Leaf	.	....	....	....	....	....	400	1¼	1	....	....
Siscoe	1	....	....	25	25	25	....	60	12	25	25
South Keora	1	....	....	17¾	16	16	950	64½	4⅛	17¾	16
Stadacona	None	....	....	21	17	17½	3700	55	13	21	17
St. Anthony	1	....	....	41	40	41	169310	50	16	42	40
Sud. Basin.	1	....	....	15.00	12.75	14.00	6100	11.85	4.00	15.00	11.50
Sylvanite	1	....	....	3.85	3.70	3.70	58170	4.80	2.60	3.90	3.70
Telluride	.	....	....	....	....	....	4505	38	35	....	....
Teck Hughes	1	10+5	1.47	10.75	10.08	10.20	....	12.00	5.37	10.80	10.08
Thomp. Kr.	1	....	....	....	....	....	43062	2	⅛	....	....
Tough Oakes	1	....	....	76	67	71	....	82	25	79	67
Towagmac	1	....	....	4.10	3.90	3.95	176080	5.75	2.85	4.10	3.90
Thom. Cad'e	.	....	....	....	....	....	14563	50	38	....	....
Timiskaming	1	....	....	7	7	7	....	12	4	7	7
Treadwell Y.	1	....	....	26.25	25.00	25.75	2100	26.75	18.50	26.25	25.00
Vic. Silver	1	....	....	....	....	....	5710	14	1½	....	....
Vickers	1	....	....	1.25	.80	1.00	....	1.52	.25	1.25	.80
Vipond	1	....	....	.85	.73	.73	8400	1.75	.47	.85	.70
Wakenda	1	....	....	10½	9⅜	9⅜	58850	16	1	11	9⅜
Wasapika	1	....	....	....	....	....	26550	2	1	....	....
W. D. Lake	1	....	....	17½	15	15⅜	....	20	8	17⅜	15
West Tree	1	....	....	....	....	....	181575	4½	1	....	....
Wettlaufer	1	....	....	....	....	....	....	4¾	1½	....	....
Wiltsey C.	1	....	....	56	55	55	3000	74	50	56	55
Wright Har.	None	20c.	3.42	6.15	5.80	5.85	190447	8.45	5.50	6.32	5.80
Windfall R.	.	....	....	25	18	22	77400	81	19¼	25	18

Vastness of Empire is All-Inspiring Theme of Agricultural Chief

Advances of Science Have Annihilated Space, Declares Martin

IMMIGRANTS WANTED

Prince of Wales and Ramsay MacDonald Are Eulogized for Cementing Bonds of Sentiment

By HON. JOHN S. MARTIN
Minister of Agriculture for Ontario
Before Empire Club, Toronto

With fourteen and a half million square miles and four hundred and sixty million population, the Empire is a subject of vast range, of many sides, of great comprehensiveness; so to reduce the matter to a few brief understandable points, I have decided to confine myself to some of those factors which in ancient and modern times have served as links of Empire. It has seemed to me that these may be summed up in three words: SCIENCE, SETTLEMENT, and SENTIMENT.

Under these three simple heads, we will all readily place some of the big factors which in years gone by, as well as the present time, have served to strengthen the ties of Empire. Let us then first consider science. This opens a wide range of thought and achievement.

In the realm of transportation and communication, science has, perhaps, made its most important contributions to Empire building. The vast advances which have been made within even our memories in the facilities for spanning the ocean, have in themselves been a most important achievement. The lessening of space is of the greatest importance both in regard to human travel and in regard to the handling and transportation of commodities of trade. Then as regards communication, the laying of the ocean cable and more recently, the extension of the really wonderful development of wireless communication, have comparatively annihilated space and linked people together in thought and in commerce as never before.

There is now coming a new application of science on an Empire basis and that is with reference to the development of our natural resources. Not long ago, as you are no doubt aware, there was organized in London, what is known as The Empire Marketing Board. Last summer I received a letter from this Board suggesting an arrangement in our respective organizations for carrying on scientific research on problems which underlie the successful marketing of our products. This Board has for its object the promotion of the consumption of Empire goods in the British market, as against goods produced outside the Empire. There is a vast scope for development along this line, and hence the importance of utilizing every possible facility. In response to this invitation, therefore, I arranged to send one of the professors of the Ontario Agricultural College, who spent several weeks in close consultation with the experts of the Board in considering problems of mutual interest on which some co-operative work might be undertaken. As a result of this preliminary discussion I have just recently completed an agreement for starting the first co-operative project of this nature. It concerns the improvement in our poultry commodities. It has been noted that in the hatching of eggs, 20 per cent. of the embryos die or fail to hatch and there has been no definite explanation of the cause of this wastage. This, therefore, is the basis of the first co-operative work which is to be carried on and the problem has been briefly stated in our agreement in the following words:

"To make a careful study of the quality in eggs to determine the effect of such quality on the next generation of fowls, and to ascertain the effect of the diet of the poultry on eggs as a human food.

"To study the hatching power of fertile eggs as to the vitamin content of the eggs and also as to the mineral content of the eggs or a combination of these two factors."

Production of Poultry

In carrying out this work it will be necessary to produce hatching eggs in large numbers, capable of producing a normal chicken at any time of the year. This obviously will have a bearing on the cost of production of poultry and its products and, therefore, on marketing. It is also believed that a detailed study of this problem may lead toward more complete information as to the cause of anaemia in human beings. This work is being started this month at the Ontario Agricultural College, our men working in close co-operation with the Marketing Board, which shares one-half of the cost.

This, of course, is only a beginning and the application of the same plan will be made to dairying problems, honey problems or any other problems which affect matters entering into Empire trade.

Not many weeks ago, one of the professors from Cambridge University visited our Fruit Experimental Farm at Vineland, to confer with our director as to certain research work which is being done in the matter of cold storage of fruit, with a view to adopting methods which can be used in the more successful transportation of the tender fruits of this province to the British market.

The important point I wish to stress, however, is that a real beginning is being made in these lines and science is being utilized to solve Empire problems, and therefore serves, in this respect, as a further link of Empire.

Settlement

Let us now turn to the second link —Settlement. The transfer of population from the Motherland to outlying parts of the Empire has always served as a basic and important factor. It has, throughout the centuries, been the result of a combination of influences. The encouragement and financial support extended by the Throne and the Royal Family all down through the ages has ever found a ready response in the spirit of adventure which has been one of the outstanding characteristics of British peoples, ever since Henry VII, in 1497, extended his patronage to John Cabot, the Venetian merchant of Bristol, and his son, Sebastian, to embark on the then perilous journey across the Atlantic. And even more important in early adventures in settlement, having regard to its subsequent influence on this country, was the Royal Charter, given by King Charles in 1670, to the Hudson Bay Company. Under the leadership of Prince Rupert, this party of gentlemen adventurers came out to Canada and established an activity which, ever since and to this very day, has played a most important part in the opening up and development of this nation.

Time will not permit me to dwell on the many heroic and romantic chapters which have gone to make up the story of the settlement of British peoples in this country throughout the centuries, because I desire to refer to some modern activities along this line. We all recognize that the pioneer work which has been done, overcoming difficulties which are unknown to-day, has laid the foundations for the present development which we enjoy. Because of this, we feel that it is important to maintain the stream of British Settlement which has lost none of the fine qualities which has characterized it in years gone by. There are many phases of the current aspects of this problem, but I will refer to only one in which the Government of Ontario is concerned.

Now, nearly two years ago, we decided to undertake a definite policy of bringing over boys from the British Isles and settling them on farms in this province. It was quite understood that they would not have any preliminary farm experience, but it was felt that if they were settled with an individual farmer, they would soon learn the ways of the country, and grow up to be very useful citizens. I am glad to say that this plan has worked out most satisfactorily. Since it was started, there have been upwards of 1,000 boys placed under this particular scheme, and the pecentage of misfits which are always bound to occur in such circumstances, has been gratifyingly small. Many of these boys are no doubt actuated by the same spirit of adventure which has characterized the race from which they came.

Sentiment

And now we come to the last link in my brief chain, the link without which all other links are weak and unavailing—the link of sentiment. This has been described as the silken cord which binds with the strength of steel. Unless science and settlement, trade and commerce and all other factors minister to, and are supplemented by the bonds of sentiment, the Empire cannot endure. True there must be practical ties, material bonds, but sentiment takes account of more than these. It considers tangible and intangible matters, such as traditions, ideals, the Flag and the Throne. In a speech a few weeks ago in London in discussing the perspective meaning of the Empire Parliamentary Association, which is to take place in Canada this fall, Ramsay Macdonald, Labor leader, made statements which emphasize the point which I am endeavoring to make.

He doubted very much if by mere law or statute, or by mere formal agreement in the devising of formula, they were able to do this work successfully. They came back finally to that subtle, intangible, spiritual thing in our common pride and common inheritance. It was a tradition; it was an appreciation of what we were and what we had been. He believed that was the bond that was surviving all the tests put upon it.

In this speech, the Labor leader mentioned the fact that he had, some time or other, visited every part of the British Empire. I could not help thinking that possibly that fact explained why he was able, in spite of the influences with which he is surrounded, to maintain a point of view on Empire matters, such as reflected in the words quoted. There is no doubt but that the inter-change of visits, the maintenance of personal touch, constitute one of the best means of maintaining a proper sentiment. It is good to know that the Honorable Mr. Amery, Secretary of State for the Dominions, will be here in a short time. These visits have a fine effect.

But, undoubtedly the greatest Ambassador of Empire in the world today is His Royal Highness, The Prince of Wales. He has visited all parts of the Empire, and has been in Canada several times. His winsome personality and democratic bearing have had a wonderful effect in constituting a personal bond between citizens of the Empire in outlying Dominions and those in the Motherland and the Throne. His visits have done more than this. His speeches have proclaimed a broad and sound view of Empire which cannot be too often emphasized. Did time permit, it would be of interest to quote from many of the addresses which he has made at different points which would further make clear the phases I am emphasizing. It may be sufficient, however, to quote one paragraph. On his return from his tour of 1919, he made the following statements in his addresses at the Mansion House in London:

> "I should like to try to tell you what I feel I have learned. In the first place, I have come back with a much clearer idea of what is meant by the British Empire, or, as it is often more appropriately called, the British Commonwealth. The old idea of Empire handed down from Greece and Rome was that of a mother-country surrounded by daughter-states which owed allegiance to her. Now, we left that obsolete idea behind a long time ago. Our Empire implies a partnership of free nations, nations living under the same system of law, pursuing the same democratic aims, and actuated by the same human ideals. The British Empire is thus something far grander than an Empire in the old sense of the term."

Ambassador of Empire

This shows, I submit that he is not only an Ambassador of Empire, but an Ambassador of an Empire based on the broadest and most democratic ideals. The importance of the kind of Empire being developed, cannot be more emphasized. If we would fully appreciate we have only to look back at what happened a little over one hundred years ago. There has recently been an incident in Chicago, which has created a great deal of amusement outside the borders of that city. The spectacle of a man who occupies the position of mayor, trying to make an issue of what was done by George III over one hundred and fifty years ago has only proved ludicrous. He has, however, served to emphasize the change in conditions and one leading American paper, not long ago, made the remark that if George III had been actuated by the same ideals and the same spirit, which are exemplified by George V to-day, the American Colonies would never have broken away. We should, therefore, realize the great part which the Prince of Wales is playing in interpreting the Empire to the Throne and the Throne to the Empire.

To such an Empire we are happy to acknowledge the ties of Science and Settlement and Sentiment. In the strengthening of these ties each may play a part, because through the maintenance of these ties there is safe-guarded to all of us the maximum of freedom and of security, under which, each, in his own way, may attain in some measure to health, wealth and happiness.

A group of clay experts from Estevan, Sask., have acquired a valuable clay property three and a half miles from Readlyn Station and have had a spur track built out into the property from the main line of the Canadian Pacific Railway.

Fraser Companies Sell Around $140

From Our Own Correspondent

MONTREAL. — In selling around $140, the preferred shares of the Fraser Companies place an indicated value on the common stock of about $45 a share. The preferred are convertible into common on a three for one basis. As the preferred has been called at 105, the whole issue, with the exception of a share or two which forgetful shareholders may neglect to convert will shortly be turned into common. As soon as the preferred stock is out of the way, it is understood that the common will be listed. The present indicated price for the common looks high when compared with the annual dividend rate of $1 a share, but it does not look exhorbitant when compared with the excellent earning power of the company. The Fraser Companies expansion programme now underway should increase the earnings materially before the end of the current year.

It Cost 36 Cents to Write One Letter

Given a $45 a week correspondent, who dictates ten letters per hour, and a $20 a week stenographer, who averages 30 letters a day, the cost of each letter, including postage, is 36 cents. For a process letter this cost averages between five and ten cents per letter, depending upon the process used and the quality of the work. The difference in cost between a routine circular letter and a personalized letter is about one cent. It pays to use as good a letter as the business proposition can stand. The test whether the extra returns from personalizing a letter will pay the extra cost consists in mailing 1,000 of each kind and checking results.

When Champlain Danced with Laura Secord

THREE hundred years ago Champlain, the dauntless, founded the city of Quebec, while painted redmen gazed from behind the maples in wonder and suspicion.

One hundred years ago Laura Secord tramped through miles of bush, braving the uncertainties of the times to take a secret message to Brock's lieutenant at Beaver Dams and thereby save her country.

And just before the old year withdrew, these two great Canadians met upon the soil that Champlain, by his enterprise and courage, had made sacred. With sweeping of plumed hat and spreading of modest gray gown, the introduction took place .. .. .. there was a smile, a blush, an invitation .. .. .. from afar off came music .. .. .. with a nod of agreement these two floated off together in a latter-day fox trot. But that was merely one of the wonders of that memorable Bal Historique, which took place on December 27, in the Parliament Buildings, Quebec.

400 Years Rolled by

in a single hour as the great, the near-great, the heroes, the lovely ladies of Europe and America passed before the dais. Noble names of the French regime were recalled by youthful descendants, and the great folk of England, from Shakespeare down, lived again to newer glories.

There were 1,100 participants in that brilliant affair—and, just for your information, Mayfair was three of them. All the little details you want to hear about—who were the belles of the ball, the frills and fripperies of the costumes, and the like—and all the charming portraits you are waiting to see will be found in

MAYFAIR FOR FEBRUARY

Take your copy home To-day 25c.

Oil Heating Merits Against Solid Fuels Are Under Discussion

200 Gallon Automatic Fuel Oil Burner Costs About $450

GENERAL EFFICIENCY

No Large Amount of Money Tied Up in Fuel as with Coal

The cost of house heating apparatus varies to a considerable extent, the fully automatic device being, of course, more expensive to install than one that is hand-operated, says the Imperial Oil Review. For a small house of, say, seven or eight rooms, one should be able to get a good dependable, fully automatic fuel oil burner with 200 gallons oil storage capacity, at from about $450 up; larger storage would run into a little more money, continues this publication. A hand-operated apparatus which will function quite well and give good results, although requiring more attention in the way of adjustments of fire, starting, stopping, etc., than the automatic burner, can be purchased for the difference in the cost of the automatic devices and their installation which would probably be around $150.

With reference to the economy of fuel oil heating this depends so much upon different conditions that no two installations would show exactly the same result, and is something that no person could tell anything about unless they knew definitely what results were being obtained from the fuel that was used in the furnace previous to installing fuel oil as the heating agent.

75 Per Cent. Efficiency

What can be said, however, is this; that in household furnaces properly installed oil-burning apparatus will show an efficiency of around seventy-five per cent. No very definite data can be given on the quantity of fuel oil required for any particular sized house, as houses vary so much in construction and exposed area that what would heat some comfortably would be quite inadequate for others.

Some carefully prepared facts on the operation of a burner of the air atomizing type with a full automatic control have been received regarding a detached house in North Toronto; brick on hollow tile; with neither weather-stripping — storm sash — roof insulation, nor humidifiers.

The inside contents heated approximated 13,000 cubic feet, and the temperature was controlled by thermostat at seventy degrees from 6 a.m., to 10 p.m., and sixty-seven degrees during the night.

No Large Layout

There is no large amount of money tied up in fuel as is in a case with a householder who lays in a winter's supply of coal.

Coal being the fuel most generally used in cities in recent years, all other fuels are usually spoken of, as far as consumption is concerned, in terms of so much to equal one ton, and it would seem as though 100 to 110 gallons of fuel oil would be about the average consumption, taking the whole heating season into consideration, to do the equivalent work of one ton (2,000 lbs.) of American anthracite coal in household furnaces.

Comparison Made

Of four houses in Toronto, all of the same size and design, one equipped with fuel oil and the other three using solid fuels, during the winter of 1925-26 which stayed with us until quite late in the spring, the house burning fuel oil was kept heated uniformly to about seventy degrees with seventy-one gals. of oil per 1,000 cubic feet of content, and the others using solid fuels average 1,295 lbs. per 1,000 cubic feet of content. Working this out to 2,000 lbs. (one ton) for the solid fuels, the equivalent consumption of fuel oil was 109.65 Imperial gallons. To this would be added the cost of gas, if a gas pilot is used, which should run about $1.20 per month with the pilot in constant operation; if intermittent the cost would be proportionately less, and of the electric current to operate the motor which in the case of a small house of seven or eight rooms would run about 75c. per month. This, of course, would be proportionately more for larger homes where the oil burning equipment would be in more frequent operation.

As methods of refining crude are improved, as they have been in the past, and as they undoubtedly will be in the future, the tendency will be toward heavier fuel oils, and those who have fuel oil burners installed that can, should occasion arise, use or be adapted to use heavier fuel oil than the light oil that is being sold at present for domestic heating, will be able to enjoy the continued use of their oil-heating plant.

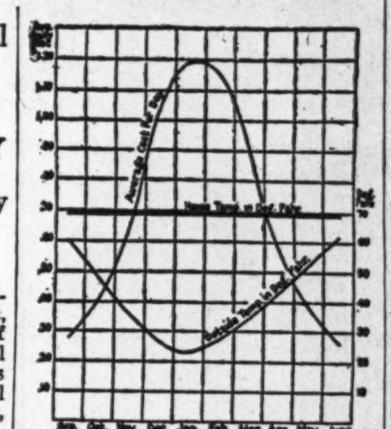

Chart shows that average winter cost of oil heat is moderate.

March Will See Canada Malting Pay Dividends

Shares of Canada Malting Co., which came on the market several months ago at 25 and which are now selling up 10 points, will go on a dividend basis in March, it is announced quasi-officially. The rate will be $1.50 annually and the initial payment will be either 50 cents or 75 cents the share.

There are 184,000 shares of no-par value outstanding, so that a $1.50 dividend will require $286,000 annually. In the year ended October 31, 1936—the last full year for which figures are available—the earnings were $372,280. It is understood that earnings have grown with the re-opening of many breweries in Ontario under the new Ontario law. There is also reported to be an increased demand from other parts of Canada, especially in provinces where beer is sold by the glass.

A new line of Maritime industry has been launched with the turning out by the Eastern Hosiery Company's mills at Truro of the first silk hosiery yet manufactured in these provinces.

Customs and excise collections in Montreal for the month of December are ahead of those for December, 1926, according to Arthur Magnan, collector of national revenue in the Customs and Excise division in the city.

The number of men employed in Manitoba's mining industry more than doubled during the last year, according to figures recently issued.

CENTRAL CANADA INCREASES DIVIDEND

Loan Company's Net Earnings in Last Year Were $463,809

Net earnings of Central Canada Loan & Savings Co. in the last year were $463,809, after all expenses are paid, including interest on debentures and deposits, and taxes. The previous surplus was $218,538, so that the total available for distribution is $682,348. The dividend of 12 per cent. on the stock of $100 par was increased during the year by an extra 6 per cent.

Increases were shown in all departments. Deposits and debentures especially have grown, the total under these heads being now $5,650,000, compared with $4,313,000 at the close of the previous year. Assets have grown 17 per cent. to $9,674,000.

Directors re-elected are E. R. Wood, president; H. C. Cox, vice-president; G. A. Morrow, vice-president; Richard Hall, Peterborough; A. H. Cox, Toronto; E. T. Malone, K.C., Toronto; W. G. Morrow, Peterborough; W. S. Hodgens, Toronto; A. B. Fisher, Toronto; Leighton McCarthy, K.C., Toronto.

ROYAL SECURITIES

MONTREAL.—The Royal Securities Corporation have opened a new branch at Regina, Saskatchewan, under the management of A. F. Watts. The corporation now has 15 branches on this continent.

STANFORD'S LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1¾ per cent. for the three months ending January 31st, 1928 (being at the rate of 7% per annum) has been declared on the First and Second Preference shares of the Company and will be payable on and after the first day of February, 1928, to the shareholders of record at the close of business on the 16th day of January, 1928.

By order of the Board.

J. G. RENAUD,
Secretary-Treasurer.

Montreal, January 4th, 1928.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, Nos. 23 to 25, King Street West, Toronto, on Tuesday, the 10th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 25th November, 1927.

Dominion Engineering Works Limited

Dividend Notice

A Dividend of sixty-five cents (65c.) per share has been declared on the No Par Value Shares of this Company, for the Quarter ending 31st March, 1928, payable 14th April, 1928, to Shareholders of record at the close of business on the 31st March, 1928.

By order of the Board.

F. W. EVENS,
Secretary.

Montreal, Que., 9th January, 1928.

Dominion Bridge Company, Limited

Dividend Notice

A Dividend of sixty-five cents (65c.) per share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st January, 1928, payable 15th February, 1928, to Shareholders of record at the close of business on the 31st January, 1928.

By order of the Board.

F. W. EVENS,
Secretary.

Montreal, Que., 9th January, 1928.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share, for the quarter ending December 31st, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Friday, the 6th day of January, 1928, at 4 o'clock p.m., and payable on Saturday, the 14th day of January, 1928.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Wednesday, December 21st, 1927.

PENMANS LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1928:—

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of February to Shareholders of record of the 21st day of January, 1928.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of February to Shareholders of record of the 6th day of February, 1928.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, 22nd December, 1927.

Woods Manufacturing Company Limited

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly Dividend of One and three-quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending December 31st, 1927, has been declared payable January 3rd, 1928, to Shareholders of record December 28th, 1927.

By Order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

Situation Wanted

By salesman experienced in bonds. University graduate, now in Toronto. Box 150, The Financial Post, Toronto, Ont.

Brazilian Traction, Light and Power Company LIMITED

(Incorporated under the Laws of Canada)

Notice is hereby given that the Board of Directors of this Company has declared a quarterly dividend of one and three-quarters per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st March, 1928, to all shareholders of record on the registers at the close of business on the 31st January, 1928.

Dated at Toronto, Canada, 5th January, 1928.

J. M. SMITH,
Secretary.

Note.—The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Can.

The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London E.C. 2.

Dividend Number 171

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 2% on the outstanding Capital Stock of the Company has been declared payable on the 28th day of January, 1928, on which date cheques will be mailed to shareholders of record at the close of business on the 11th day of January, 1928.

Dated the 4th day of January, 1928.

I. McIVOR,
Assistant-Treasurer.

Highest type of man with clientele to sell for an established brokerage house, investment securities, permanent connection. Box 144, The Financial Post, 153 University Ave., Toronto, Ont.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 25th January, 1928, at twelve o'clock noon.

By order of the Board.

C. A. Bogert,
General Manager.

Toronto, 24th November, 1927.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of January, 1928, to shareholders of record at the close of business the 10th day of January, 1928.

By Order of the Board.

W. H. SMITH,
Secretary-Treasurer.

Commercial Alcohols Ltd.

Preference Dividend No. 16

Notice is hereby given that a Dividend of two per cent. on the issued and fully paid Preference Shares of the Company, has been declared for the quarter ending December 31st, 1927, payable January 15th, 1928, to Shareholders of record December 31st, 1927.

Ordinary Dividend No. 3

Notice is also given that a Dividend of twenty-five cents (25c.) per share on the issue and fully paid Ordinary Shares of the Company has been declared for the quarter ending December 31st, 1927, payable January 20th, 1928, to Shareholders of record January 10th, 1928.

By order of the Board.

T. V. BATTERSBY,
Secretary.

Montreal, December 30th, 1927.

ONTARIO

Sale of Timber

Tenders will be received by the undersigned up to and including Thursday, 2nd February, 1928, for the right to cut the Green White Pine and dry burned Pine on Townships 28 and [illegible], Range 21, and Township 28, Range [illegible], District of Algoma.

Further particulars may be obtained upon application to the undersigned, or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this notice will be paid for.

Toronto, January 5, 1928.

The International Nickel Co.

(Incorporated)

A quarterly dividend of one and one-half per cent. on the Preferred Stock has been declared this day payable February 1, 1928, to the Preferred Stockholders of record at the close of business January 19, 1928.

JAMES L. ASHLEY,
Secretary and Treasurer.

New York, January 9, 1928.

WANTED

An Aggressive Man

A well established financial corporation seeks an interview with a bright, active man with an unblemished character for remunerative position. Replies strictly confidential. Give full particulars of present position and salary in first letter.

Box 146, The Financial Post, Toronto, Ont.

Books You Will Want For Yourself and Staff

Looking Forward

In the series of articles which appeared recently in the Financial Post, Mr. Ralph Geddes makes available the observations of an expert and gives help to the average individual to avoid errors and pitfalls in the disposal of his or her estate.

The Investment Trust and Its Place in Canada

A review of this interesting type of investment now growing up in Canada, with a short outline of similar trusts in Britain and United States. Written by Mr. Mackenzie Williams.

Canadian Income Tax Problems

Articles by an expert. Interpretations of the Income Tax Act that materially affect the individual taxpayer and mean dollars one way or another to him.

THE C.P.R.

The financial history of this great company, told in easy, readable style. An accurate informative analysis of present position and prospects of the Canadian Pacific Railway.

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Address

QUEBEC IS TO ACT AGAINST EXPLOITS OF 'F[illegible]' BROKERS

Province Has Suffere Considerable Hardships from Crooked Agents

That Ontario is not the only province to suffer from the hands o "bucketing" insurance brokers ha become evident as a result of th exposure printed at the end of 192 by The Financial Post.

Quebec also has suffered considerable hardship at the hands of these crooked protectionists, and according to information received from Superintendent Sharpe, legislation is to be recommended shortly, which will deal once and for all with this nuisance.

No information is available as yet as to what form this legislation will take, but it will probably be brought forward at the present session of the Quebec legislature, as the situation in the province already has caused considerable loss to the public. As in Ontario, the loss is being caused by unlicensed insurance issued from Jersey City, and bearing the guarantee of irresponsible companies.

Inadequate Laws

The existing laws of the Province of Quebec, are not capable of coping with this type of insurance. "bucketing," but it is understood that the legislation which is about to be recommended will be well able to meet the situation.

This new form of "bucketing" which was exposed by The Financial Post, has been revived after an absence of several years, and is carried on through the medium of non-resident insurance brokers who use the names of foreign companies to attract surplus fire insurance and substandard casualty risks which are often carried on their own shoulders. The practice was quite prevalent a few years ago, both in Canada and the United States, but has evidently broken out afresh in recent months.

The companies which these brokers purport to represent, are as a rule organizations which on investigation, cannot be traced in ordinary reference books or that are of small or doubtful financial standing. Some of these brokerage houses also name Canadian cities as branch offices, but such offices cannot be traced, or are unknown to insurance officials.

Unscrupulous Broker

The practice has been called "bucketing" by insurance officials because of the fact that almost invariably the head office of the company which the "broker" is supposed to represent, is in a foreign country, and any supposed agreement which he may have with the company allows him to act as attorney-in-fact in the issuing of its policies. These circumstances pave the way for the unscrupulous broker to write his own risks wherever he can get them; to collect the premiums, pay out the losses as far as he is able, and to pocket the commissions and profits of the transaction. Very often, the only statement which can be produced concerning the company which is being represented, is a typewritten one.

A recent article which appeared in Best's Insurance News regarding these operators, used the name of a Canadian company as one which is classed as a "non-admitted or unauthorized foreign company doing business in the United States at the present time." This company is known as the International Insurance Co., of Montreal, Que., and is represented in the United States by the International Insurance Agency of New Jersey, N.J.

This insurance journal states that the company was incorporated in July 1926; received a license to transact business on Jan. 5, 1927; but solicited policyholders in the United States with a financial statement dated Dec. 1926, which was actually prior to its existence. The reason given for this action on the part of the company, was to the effect that the statements had been the subject of a typographical error.

Unlicensed Insurance

As far as this particular company is concerned, it is understood it is classed by the provincial authorities at Quebec, as a company transacting unlicensed insurance in the United States through certain agencies in Jersey City; that the policies issued bear all sorts of rigorous warranties which will undoubtedly be strictly enforced, and that furthermore the company is solvent.

The official attitude of the department at Quebec on this question is that if residents of the United States are willing to accept such policies in an unlicensed company, there is nothing that can be done to prevent it, pending any evidence that the payment of legitimate claims is being refused. By way of checking this sort of unlicensed policy, it is understood also that the department makes a practice of requiring a company such as this to keep a separate register for all such contracts issued.

Telluride Gold Mines Reach 200 Foot Level

From Our Own Correspondent

HAILEYBURY. — Telluride Gold Mines has sunk its shaft to the 200 foot level and has carried on drifting at this depth for a distance of 250 feet with the last 40 feet in high-grade ore. Cross-cutting has been carried out at the 100 foot level as well. Assays of the new ore gave values of $45.10 gold and $23.80 copper, and it is believed the ore will average around $25.

A crew of 22 men are now at work under the direction of Bert Ashley, M.E. It is proposed to place three shifts of miners on the underground work.

A new plant and camp buildings have been constructed which will allow the work of carrying out the 1928 program of development to be pushed along rapidly.

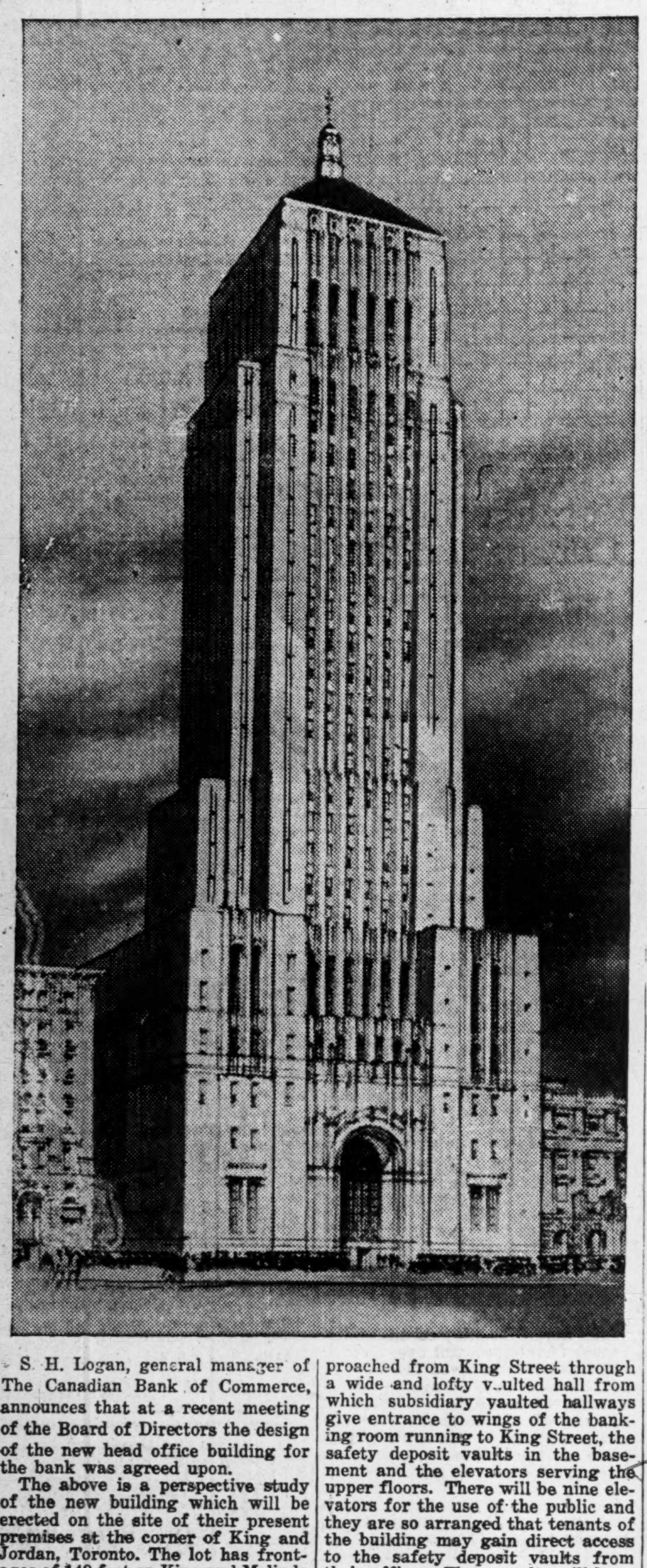
An air mail between Winnipeg and Calgary may be established this coming summer, judging by persistent reports to that effect.

The report of the Manitoba hemp and twine production and distribution continues quite encouraging, the twine output of the plant being sold in advance.

More than 500,000 pounds of wool were shipped last year by Saskatchewan members of the Canadian Co-operative Wool Growers Limited.

A British Columbia branch of the Canadian Handicrafts Guild, with headquarters in Vancouver, will be formed early in the year.

New Office of Commerce Bank



S. H. Logan, general manager of The Canadian Bank of Commerce, announces that at a recent meeting of the Board of Directors the design of the new head office building for the bank was agreed upon.

The above is a perspective study of the new building which will be erected on the site of their present premises at the corner of King and Jordan, Toronto. The lot has frontages of 149 feet on King and Melinda Streets and 168 feet on Jordan Street. The main entrance will be on King Street but there will also be an entrance to the banking room and elevator halls on Melinda Street. The study shows a building of approximately 435 feet in height and exterior will be of stone and granite. The main banking chamber will be on grade level and will have a height of some 65 feet. It will be approached from King Street through a wide and lofty vaulted hall from which subsidiary vaulted hallways give entrance to wings of the banking room running to King Street, the safety deposit vaults in the basement and the elevators serving the upper floors. There will be nine elevators for the use of the public and they are so arranged that tenants of the building may gain direct access to the safety deposit vaults from their offices. These vaults will have accommodation for 15,000 boxes and will be of the most modern construction and provided with the latest type of burglar-proof doors. The architects are Messrs. Darling & Pearson of this city, in consultation with Messrs. York & Sawyer of New York. The preparation of plans for such a large structure will take some months but it is hoped that work can be commenced by July 1.

Say Cockshutt Plow to Link With Massey

Long Expected Capital Revision May Involve Sale of Company; Merger Often Discussed in 25 Years

The long-expected capital revision of Cockshutt Plow may be announced soon in connection with a more or less definite connection with Massey-Harris Co., according to reports which are prevalent in Brantford, Toronto and Montreal. It is said that the holders of Cockshutt preferred stock, on which there is 55 per cent. arrears of dividends, will be offered either $125, or par and arrears. The common stock, which is closely held, is said to be valued at $10 the share.

Yet a responsible official of Massey-Harris has informed The Financial Post that such an alignment is no nearer now than on previous occasions when it had been discussed.

Those who sponsor the report point out, however, that an amalgamation of these two concerns would not be illogical in view of the fact that Massey-Harris already operates a plow manufactory in Brantford and doubtless could co-ordinate the two without much difficulty, and because Massey-Haris has upbuilt, especially in recent years, an excellent foreign marketing organization. One of the weaknesses of Cockshutt Plow is that it has not had any foreign connections. Its exports all have been handled direct from Canada.

It is reported also that Massey-Harris, as a result of recent changes in the German tariff, will extend its activities in Germany. It is said that a factory will be built at Cologne to manufacture lines similar to those manufactured in France.

The Massey-Harris report for the year ended last November 30th will be available, it is said, within a few days. The predictions in financial circles which appear to be authentic fix the earnings at about $4 the share unless there are some extraordinary write-offs. This compares with $2.39 the share last year.

Thomas Bradshaw, general manager of Massey-Harris Co., stated recently that, owing to the deficiency in rainfall in wheat-growing countries of the Southern hemisphere, the outlook for the agricultural implement business in those countries is not so favorable for 1928 as it was in 1927.

The production of Gypsum in Nova Scotia during the fiscal year ending September 30th amounted to 851,953 tons, an excess of 244,337 tons over the output of 1926.

Communistic Propaganda at University of Toronto

UNIVERSITY of Toronto has openly allied itself with the communists. During a debate to be held next week the students will hear from Jack Macdonald, secretary of the Communist Party in Canada, who has been invited to attend and speak from the floor on behalf of communism. The subject of the debate is:

"Resolved that, in the opinion of this house, the social and industrial systems advocated by the Communist party of Canada are not in the best interest of the people of the Dominion."

Students and graduates will speak for each side and a Red worker will belch his propaganda under these favorable auspices.

* * *

THE debate will be held at Hart House, student centre of the university, where on one occasion, when Bonne Entente journeys were being taken by leading English Ontarionians and French Quebeckers, the students debated the insulting subject "Resolved that the French Canadian is a menace to Canada."

Sir Robert Falconer, president of the university and other officers, have declined to act in the matter of the invitation to the Communist leader. One may be certain that at McGill university the invitation would never have been sent.

Sir Robert's attitude is to allow the students absolute freedom in the handling of debates, etc.

* * *

NO ONE will criticize the general theory of freedom of speech. But there are many hundreds of fathers and mothers whose sons are attending Toronto University who will learn with keen regret that communistic propaganda may be preached from the floor of a Hart House debating hall, not by students but by paid agents of the most disrupting forces in the world, and this with the apparent approval of the heads of the university.

MERITS AND DEMERITS OF BRITISH POLITICIANS UNDER MICROSCOPE

(Continued from page 9)

parties, and he picked Philip Snowden as its head. Nowadays, Mr. Snowden is not many degrees removed from orthodox Liberalism, and the Liberals would serve under him more cheerfully than under any other Laborite. But, undoubtedly, if such a coalition were worked out, there would follow the succession of a group of Labor extremists who would form a new party labelled Communist or something else.

However, the present tendency of the Labor leaders who now control the party towards moderate policies, is a notable development and it has one interesting aspect from an Imperial point. Under the inspiration of men like J. H. Thomas and Thomas Johnston, the editor of the "Forward," the Socialist weekly of Glasgow, the Labor party is now beginning to take a very live and earnest interest in Imperial problems.

From its ranks there has been formed a Commonwealth group which embraces about 100 sitting members of Parliament, who meet at regular intervals to discuss problems and hear the views of visitors from overseas. On many issues they work in co-operation with a group of young Conservative Imperialists who reciprocate with sympathetic support on domestic social issues, and they are taking their party further and further away from the influence of Moscow. Many of them are actively interested in the furtherance of immigration to the Dominions, and in the work of the Empire Marketing Board, and it is an open secret that some of the best advertisements, published by this body, were drafted by a well known Labor member. The fact is, that these Laborites of the Imperialist faith have come to recognize that only by the intelligent development of the Empire's resources, can Britain escape from her economic difficulties and secure a better standard of life for the mass of her population.

GOLD HILL MINES HAS GOOD RESULT

Work is Carried Out on Every Level to 800 Feet

From Our Own Correspondent

HAILEYBURY.—Gold Hill Mines are operating a 50 ton mill and work is being carried out on every level down to 800 feet. It is proposed to sink a winze from the 800 foot level to a depth of 1,000 feet or even deeper, as the present new equipment will permit operations to be carried on at 1,500 feet.

Gold is now being mined from veins averaging three feet in width, but diamond drilling at and below the 800 foot level shows marked improvement in the main vein. Widening of the veins has been found between 1,000 and 1,100 feet in recent drilling, and two interesting veins, one of which shows a width of 11 feet, have been cut by the drills.

Work is being pushed forward under the direction of D. H. Angus, president and general manager of the company, and very satisfactory results are anticipated under the 1928 programme of development. If the Gold Hill veins widen and the ore shoots show the same length at depth, as at the 800 foot level, Gold Hill Mines should prove one of the big producers of the Boston Creek camp.

Amity Copper Carries Out Cross-Cutting at 250 Feet

From Our Own Correspondent

HAILEYBURY. — Cross-cutting and drifting is being carried out by the Amity Copper and Gold Mines on the 250 foot level. The shaft which has been sunk to this level will be continued downward to a depth of 500 or 625 feet. The ore body has been traced for a length of over 2,000 feet by diamond drilling. Drifting has been carried on at three levels, from 100 to 200 feet, and high-grade copper opened up. A crew of 25 men are at work on the property under the direction of S. A. Pain, M.E.

Amity is the first essentially copper development in Ontario although the ore carries a fair percentage of gold as well.

Work on St. Louis Property Takes Interesting Turn

HUDSON, Ont.—As the result of the progress made on their property of a most favorable nature, the St. Louis Mines is this week shipping in a mining plant to their Rainbow Lake property where as the result of a new discovery there is a general all-round speeding up of work.

Work on the St. Louis property is now being pushed ahead and to date on this gold mining effort 12 veins have been uncovered and a most interesting situation exists on their East Clearwater property.

The Coniagas, according to information just received, have on their optioned holdings in East Clearwater, picked up some of the most spectacular gold showings yet uncovered in this section. The St. Louis mines have nine claims to the north and on the strike of the Coniagas which runs north and south. Facing this situation the St. Louis directors now announce that diamond drilling will be started here at the earliest possible date with a view of picking up the extension of the Coniagas find.

On the St. Louis Rainbow Lake property there has just been completed 2,000 feet of trenching and a large amount of stripping. Test pits have been sunk 10 feet and assays have revealed exceptionally high gold values.

All operations of the St. Louis Mines will be under the direction of Jack Limdsay, one of the first men in the Narrow Woman Lake district.

The Rainbow Lake group of the St. Louis Mines was staked by Phil. St. Louis, one of the best-known prospectors in the north, who has several creditable discoveries to his name.

Deal Reported Completed For Alex Dupuis Group

It is understood that a deal has been completed by James Flynn for the Alex. Dupuis group in Parken Township, in the Wanapitei section of Sudbury. Presumably the group of 200 acres will be added to the holdings of the Crystal Comstock Co., which has a rather attractive looking operation. The Dupuis property has revealed some very spectacular gold ore.

Barry Hollinger Shaft is Down to 1,000 Feet

From Our Own Correspondent

HAILEYBURY.—A crew of over 100 men are working at the Barry-Hollinger Mines, Boston Creek. The shaft is now down to a depth of 1,000 feet, and a winze is to be sunk from this level to the 1,500 foot horizon. Levels will be opened up at 1,125, 1,250, 1,375, and 1,500 feet. It is the intention to make the winze one of three compartments, and to eventually connect it with the surface, thus providing a three compartment shaft to the 1,500 foot level. Barry-Hollinger is now milling 100 tons of ore a day.

Real Brains Played Part Putting Over Noranda

Pen Sketch of Principals Who Did Real Spade Work Handling This Venture

As the great copper enterprise that wrote new mining history for the province of Quebec gets under way, there are few people who have observed the course of this development but will agree with the statement that from the start, both as a mine and a financial enterprise, Noranda has been extremely well handled.

There is no industry that demonstrates the business axiom that no man can make a great success of anything by himself more aptly than mining. If a team of five or more department heads cannot work together in mining there isn't much hope for a property, no matter how much mineral it may contain. It gets back to the prospector, first of all. If he doesn't know his business—and prospecting, with its necessity for shrewd business sense after one has found his prospect, is a business—it is not likely that a deal will be made. If the prospector is not a real prospector, he may not have the money supporting him when he needs it most. He may wish to get a large group of claims and get the necessary assessment work done on them, and this requires money. And when it comes to making terms with a mining company, he must have his deal in such shape as will attract men who mean business. Many a good property lies dormant to-day because a prospector wanted too much in cash or imposed terms which did not appeal to those who came along ready to give surface showings a test by blasting down a few hundred feet.

So the prospector is one of the department heads of the mining business. If he knows his business, he realizes that there is big money for him when he can handle his own affairs as well as he can handle his canoe. Such a prospector was Edmund Horne, who staked the original Noranda claims. He made not only himself, but the little group in New Liskeard who supported him, more than snugly rich. When he found his claims he was ready to deal with capital.

Then came Chadbourne and Thomson, who had a development company and who were looking over the north country.

Chadbourne—H. C.—is an experienced mining engineer, graduated from the Houghton (Mich.) School of Mines. He has had his share of travel and adventure in the countries where men seek mines and oil. He comes of a well-known New York family, one of his brothers being an outstanding financial figure in Wall Street, but "Chad," as his Canadian friends know him, could not be held by cities. He came north and spent a couple of years looking the country over. He is the type of engineer who would rather mingle with a bunch of Ontario prospectors than wear his "soup and fish" around New York millionaires' club. Incidentally he does not talk much about being an engineer when he is with prospectors. He does not give off any impressions of infallibility or great mining knowledge.

When he came north, S. C. Thomson came with him as a partner. Thomson is an English engineer who made his mark and his fortune in South African mining, and then, which is a way mining engineers have, lost most of the fortune. When he and his partner of the future met, there was not a great amount of personal cash between them, but there was a belief that anyone who would come into the Canadian North and do some real pack-sack-and-trail searching would come close to finding a mine.

It is said that the money behind the partnership when this Uncle Sam-John Bull combination came into the country would not seem like a heavy bankroll in these days of hundred million markets. But it was not bluff. They went into the field, and enlisted men like A. K. Fletcher and Carl Ericson to help them look over parts of the field that seemed promising. They optioned a number of properties, dropped some and still have several in the bag.

Their meeting with Ed. Horne and the effort to establish a gold mine on the Lake Tremoy syndicate claims is now ancient history. They had a pretty rough job of work to get into Rouyn to cut roads through the bush and haul diamond drilling equipment. There were many long months before they cut into the chalcopyrite bodies that startled the mining country, and the deal with Ed. Horne did not go through without its long pauses and uncertainty.

Two years after they came into the country, however, these two men had a mine that marked the rising of a new star of northern hopes. Each of them was worth a million or two. Certainly a good deal of luck about it, but something, too, in the method used, that of getting right out into the country, meeting the men who are searching for mines, and looking over as many things with merit as it was possible for four or five engineers to do.

Chadbourne did not supply all the brains that went to the climax of Noranda's discovery. He has all along disclaimed any credit for it. He has the same smile when asked to describe his part in the venture as he had for those who were inclined to make light of his entry into the country as "another of those exploration schemes." Neither he nor his partner, Sam Thomson, cares about that end of it.

But Chadbourne, who once stated that he would rather grow roses than run a gold mine, and who will use part of his income in voyaging on a yacht to far places, is probably the organizing brain — the psychologist—in the building of Noranda as a big mine with a big place in the mind of the public. The way Noranda has been handled has shown that there were brains as well as a lot of ore behind it.

The shares have never been listed on any exchange, yet they have been traded in among the first four or five stocks during the past few years.

Such a man as J. Y. Murdoch came into the directorial end as president and while Noranda is one of those properties that has attracted publicity rather than sought it, the experience and personality of Mr. Murdoch have been a factor in giving to Noranda a Canadian flavor and a popularity with Canadians that counts in keeping an even keel. Incidentally a triple alliance of English-speaking teamplay was formed when Mr. Murdoch came in and later on the Timmins interests entered the picture. This enabled Noranda to finance its huge construction program without going to the public, because the Hollinger millions were made available in the form of a bond issue.

While Noranda could not avoid attracting public attention, it is one of those examples of skilful financial management that do credit to the mining industry. The public has been kept well informed as to Noranda's developments, but the statements given out have always erred on the conservative side. Step by step the founding of this new and important industry has advanced until production was reached. Its product disposed of long before operations were commenced, the mine is on as stable a basis as any in Canada.

While it may develop that H. C. Chadbourne, having seen this new development emerge from the rocks, out of the heart of virgin bush, will not be closely identified with its operation, it is unlikely that he and his partner, Sam Thomson, will be entirely lost to northern mining development. They hold considerable interests in gold and silver properties in the country and their methods are the methods the north country requires to find more mines like Noranda.

In many spheres the north invites the man of experience, courage and resourcefulness. Chadbourne and Thomson are names that will long be remembered when in the future men discuss the factors which have developed the north. If you would see their monument take a trip through Northwestern Quebec to-day.

Rhyolite Rouyn Report Successful Developments

Rhyolite Rouyn Mines, which occupies a favored location in Northwestern Quebec, reports some new successes from developments. Situated adjoining Waite-Montgomery and Amulet on the west and Bedford on the north with the same geology, it has been expected that some favorable results would be obtained. These results are said to be better than anticipated. In number one shaft which has now reached a depth of twenty feet, and on which the original showings ran 24 per cent. copper for a width of four feet, the vein has widened out until now at the bottom of the shaft it is seven feet in width, carrying high copper values. Number two shaft, which is being sunk about 10 feet east of number one shaft and on which the surface showings revealed four per cent. copper, has now reached a depth of twenty feet and assays made at this depth have produced results running 10 per cent. copper.

In addition to the work in these two shafts surface work has been conducted on a very extensive showing at the southwest corner of Duprat Lake. Here the showing is of a disseminated nature extending over an area of more than one hundred feet in width. The results are so satisfactory that a shaft is to be sunk at this point also.

The company is arranging for diamond drilling and is also ordering a mining plant in order that in the spring they will be able to undertake underground development.

TO DEEPEN SHAFT ON MARRIOTT MINE

Diamond Drilling Reached Interesting Stage is Latest Information

Diamond drilling at Marriott has reached an interesting stage, and the latest information is that the shaft at the edge of McDiarmid Lake is to be deepened on the original high-grade surface discovery. The developments in the past short while in this section have caused considerable interest as the surface showings are more spectacular than any of the original discoveries in Rouyn. This fact, together with the fact that the mineralized zone has been traced to a depth of 422 ft. by diamond drilling to date and that the formation is most favorable for the occurrence of high-grade copper deposits is causing an unusual amount of attention. The deposits are what are known as magmatic injections, or original deposits, and not replacements. The formation is of rhyolite and andesite, and the discoveries are very close to the diabase intrusions. Associated with the copper are narrow bands of red porphyry, and a striking characteristic of the andesite at or near the contact with the rhyolite is the invariable presence of a narrow zone of altered andesite or porphyritic formation, locally known as "spotted dog."

The geological conditions surrounding Marriott, together with the very excellent results obtained, and the plans outlined for the future consisting of installing a complete mining plant and continuing the shaft to a depth, indicate that the Ontario side of the copper-gold zone may yet outdo the results so far obtained in the copper-gold zone of Quebec.

Further important news is expected at any time.

MACHINERY ARRIVES FOR LEBEL LODE CO.

Directors Have Authorized Sale of 500,000 Treasury Stock Shares

A carload of mining machinery was delivered upon Lebel Lode from Kirkland Lake station last week. During the week the hoist was placed upon cement base, a boiler placed and stack hoisted, tank for water supply erected as well as power house building brought well up to completion. At the same time frame work upon their shaft-house was erected and another week should see this completely fitted and ready for use. Pumping station for water supply is also nearing completion as well as water and steam lines laid and boxed for protection from frost and cold weather.

The company is arranging for the contracting of the sinking of 600 feet of their central shaft from present level and as soon as plant is ready everything will be turned over to their contractor to carry out their extensive development program. This shaft is triple compartment and designed to provide for all requirements for development operations as well as take care of a mill when required.

Some $50,000 has been spent by the company in preliminary exploration and results obtained from surface operations and diamond drilling encourage the management in providing for their ambitious program.

To carry out their intentions the directors have authorized the sale of 500,000 shares of their treasury stock, which is being offered here in Canada, the United States and Great Britain simultaneously at the price of 50 cents per share. Capitalized at 2,000,000 shares of $1 par value, the company have to their credit 175 acres fully patented land, owned outright, about half way between the producing mines to the west and the Bidgood mines to the east. After fully paying for their property and expenditures to date, they have some 1,070,000 shares remaining in their treasury for issue and future financing. Several well-defined and strong veins have been exposed, while their main break has been located for 1,500 feet, with a strike length traversing the property of some 4,000 feet. The line of strike of this break, the location and position in the formation enclosing it, leads the management to hope that this break may ultimately prove an extension of the well-known producer of the Kirkland Lake camp known as the North vein.

Altogether Lebel Lode, Ltd., has been carefully promoted and conservatively handled. This, coupled with expected results, should provide shareholders with all they could expect in a mining development.

ANALYSIS IS GIVEN SHERRITT-GORDON

Organization and Details of Property Are Explained

The following analysis of Sherritt-Gordon mines has been prepared by Pellatt and Pellatt:

The Sherritt-Gordon Mines, Ltd., was organized to purchase the Sherritt Madole group of claims at Cold Lake, Northern Manitoba, 35 miles east of the Flin Flon. Capitalization consists of 6,000,000 shares of which 3,000,000 were issued for 100 per cent. of property and 1,000,000 additional sold to provide funds for development work. 2,000,000 remain in the treasury. The stock has been traded in over the counter in Toronto and has sold recently as high as $7.25 a share, last quotations were at $6 a share.

With regard to the property the ore body is a copper zinc combination containing silver and gold. It is lead free and should be less difficult to treat than the Flin Flon ores. The mineralization has been traced by diamond drilling for 12,000 feet in length and according to competent opinion it is not unreasonable to suppose that it goes to considerable depth. Drilling indicates ore bodies 11 to 17 feet wide with average 2.34 per cent. copper, 5.8 per cent. zinc and about 75 cents gold and silver with a total value of $13.8 per ton. More recently further developments have brought in ore running $20 to $30 a ton.

Diamond Drilling

Trenching and diamond drilling are continuing. It is proposed to take in 1,500 tons of machinery and supplies this winter. The winter's work includes the sinking of two shafts and the operation of six diamond drills.

The arrangements for building a railroad to the Flin Flon are naturally of interest to the Sherritt-Gordon. The probability is that the rails will not stop at Flin Flon but will be continued to the latter property.

It is too early to talk of a smelter but the present indicated possibilities would be sufficient to support an independent unit. Exploration and development work are being vigorously pushed and interesting developments are promised.

We quote from the report of a well-known engineer, Percy Hopkins. We understand that it was on this report that Noah A. Timmins acted when he became a large shareholder and a director of the company:

Important Ore Bodies

"This is apparently one of the most important ore bodies found in the past few years....

"The remarkable feature of this property is the persistence and continuity of the heavy band of copper zinc sulphides which now has been traced practically without a break for 12,000 feet. Recent work shows that there may be material extensions even to this extraordinary length. It may be noticed in this connection that a structure of this character is unique and probably not duplicated anywhere else in the world. Although conservative engineers may be loath to estimate beyond a depth of 2,000 feet it is not unreasonable to believe that eventually this property will be mining as deep as they are now mining in the Rand in South Africa, and in this event, the Sherritt-Gordon Mines will have one of the largest and probably the very largest single deposit of ore in Canada to-day."

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CANADIAN MINING NEWS
Regular Weekly Department of The Financial Post

Standard Exchange Elects New Directorate for 1928

Buyers Scramble Wildly for Hudson Bay Stock

Sanity Rules Boom in Shares of Mines at Present Period

Present Speculative Fever Has Better Foundation Than Some of the Old-Time Booms That Had No Real Investment or Production Behind Them

Recently, The Financial Post pointed out that the mining dividends for the year 1927 totalled over $23,000,000. This has been growing steadily. To-day, it is many times the distributions of the Canadian banks. One of the encouraging facts from a Canadian point of view is that Canada's grip on these large producing mines and large dividend payers, has been growing steadily. The Guggenheims wanted control of Consolidated Smelters, and pretty nearly had it, but C.P.R. controls it to-day. International Nickel, has always been a U.S. company; to-day, it is admitted that control is in Canada. Now Canadians are accumulating Mond Nickel. A year ago, Wright-Hargreaves had 450 shareholders. To-day it has 5,000 shareholders and there is just a suspicion that control may now be distributed among the greatly increased number of Canadian shareholders.

Pessimistic View Displayed

A lot of solid Canadian business men hold the view that Canada is destined for the eternal bow-wows if the present mining boom keeps up.

Down in New York they are saying that Canada is suffering from a mining complex.

If they are right then an awful lot of sound and sane people are all wrong.

They talk of inflation; of people being loaded up with high priced mining stock that is not worth a quarter of what it is selling for; of new issues selling at 40, 50 and 60 cents a share when hardly any work has been done on the property and all they have to recommend it is an engineer's report that the geology is good and that the location is fairly favorable. These are not all the things, nasty or otherwise, they are saying, but are sufficient to justify a general review of just what the situation is.

Much of the criticism of mining has appeared since the runaway market was launched in mining shares in the early fall, culminating with a tremendous turnover during November and then gradually easing as the Christmas period approached.

Million Share Days

While that run on stocks was on, daily transactions ran to well over 3,000,000 for one day's trading. Million share days, formerly a rarity, became the general order and now they pass almost unnoticed.

One of the important points that seems to be overlooked, however, is that a great deal of the trading was due to the appearance of new issues on the exchange. An evidence of the growth of the list is the fact that practically all the large brokerage houses have in the past month or so been obliged to extend their boards so that they would be able to post intelligently all the issues.

Another fact which stood out during the heavy trading period was that stocks were not carried out of unreasonable bounds. Fluctuations up and down were extensive, but there is hardly an issue that can be pointed to that made a runaway gain, except perhaps Bidgood and the movement in that issue was not at all surprising or out of the way when the present change in its fortune is considered.

Gospel of Mining

A third very important point is that the present mining boom has an entirely different background. The public is going into the mining market to-day because it is being educated as to its possibilities and value, and the interesting fact is that business and bank leaders, who themselves have been somewhat slow to show an appreciation of the coming position of the industry, are now doing a great deal to spread the gospel of mining.

Bank presidents, in reviewing business conditions for the past year and in touching upon the possibilities of the country for 1928, have invariably devoted a portion of their address to the mineral development of the country. They know from their own records something of what is going on in the industry and Pres. Beatty of the C.P.R. knows from the freight earnings of that road, what portion of the revenue is coming from mining. He also pointed out recently that the Dominion Bureau of Statistics in a recent compilation, showed that products of mines and minerals, had in eight or nine months last year, led all others in providing the bulk of Canada's freight tariffs.

One of the reasons it is so hard to sell a good many Canadian business men on the Canadian mining industry, is that they heard all the horrible details of the previous mining booms which have taken place in the country; they fear the same thing is going on now and cannot be convinced that the situation is anything different to what it was then. They read about the opening up of bodies of ore that give promise of taking their place among the most famous in the world, but they don't believe it. They heard such reports before. What they fail to realize is that the reports to-day and the reports of years ago have sponsors of an entirely different calibre and these sponsors are actuated by a different motive and are making their case to an entirely different audience.

Six Leading Mines

In those boom days there were no Hollingers, or Sullivans or Froods brought in. There was not a mineral production of a quarter billion dollars yearly; there were no mining machinery houses selling twenty $50,000 mining plants in as many days. In those days no paper could publish the following table taken from the Nov. 25, 1927 issue of The Financial Post which shows that the probable ore of six of Canada's leading mines, yet to be mined is $2,081,000,000.

Sullivan, B.C.	$650,000,000
Flin Flon, Manitoba	268,000,000
Sherritt-Gordon, Man.	200,000,000
Frood, Ont.	500,000,000
Creighton, Ont.	225,000,000
Erington, Ont.	100,000,000

Another reason for the awakening of Canadian business men, bankers and railway presidents as to the possibilities of the mining industry, is the fact that the year 1928 will see something like $300,000,000 spent on mining equipment, supplies, wages and dividends. This is a great deal more than the industry will produce this year but it has been the same for many years and just when the industry gets to the point when the annual return is greater than the expenditure, then it will have about reached its pinnacle.

Some of these facts perhaps explain why New Yorkers think Canadians have a mining complex. It is a good thing for the country and a good thing for the mining industry, if this complex is going to continue to build up and retain control of the great industry which is now developing.

Many mining men take great consolation from the fact that to-day mining finance in Canada is absolutely independent of outside assistance. There was a time, and it is not so long ago, that Canada went to great lengths to try and induce London and New York funds to help out in financing new mines. This is no longer the case. New York is going to retain the bulk of the stock in the Flin Flon operation, but they will have to watch it closely with the Canadian public so keen or they will lose it the same as they did Nickel.

Another point of criticism that is heard of mining and which was mentioned earlier in this article, is that too high a price is being asked for shares in prospects. This is a question of point of view. All along the criticism from London has been that in financing prospects, shares were sold at a heavy discount. Now that this discount has been cut in two, the criticism is coming from Canadians.

Cheaper Finance

One big feature of this awakened mining interest is the fact that it is much cheaper to finance a mine to-day than say in the days when Teck Hughes was going hungry for funds. This makes possible the higher price. One share to-day will raise as much money as three or four would a few years ago. This will give the company a bigger percentage of the money raised to put into actual mining operations. It will mean that fewer shares will have to be sold and so there will be fewer shares to divide up the profits—if any. A very beneficial factor is that it will get away from reorganizations and refinancing proposals. It is also to be noted that practically every new mine to-day is generally backed by sound engineering opinion. In the old boom days the company that employed the engineer was the exception.

Generally the mining boom which has taken hold of the country seems to have much to commend it. It has its dangers, but the public is becoming educated and this is bound to work to keeping the situation within bounds. Business men and bankers are co-operating and the day of the wild catter seems at an end. There are still some abuses and these are certain to result in legislative action that will prove beneficial to the industry and the public.

Diamond Drilling Proceeds on Boston-McCrae Property

From Our Own Correspondent

HAILEYBURY.—Diamond drilling is being carried out on the Boston-McCrae property which adjoins the Barry-Hollinger. A crew of some seven men are working under the direction of James McCrae, mining engineer.

An effort is being made to pick up the continuation of the Barry-Hollinger vein. Drilling has been going on for the past three weeks. The results of the diamond drilling will determine what further developments will be carried out.

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Standard Stock and Mining Exchange Elects New Directors

In the top row, left to right, are directors: J. A. McCausland, Malcolm Stobie, Fred J. Crawford, Louis J. West and Hector M. Chisholm.

In the middle section are the officers, left to right: Homer L. Gibson, elected 2nd vice-president; Draper Dobie, secretary, and Norman C. Urquhart, president, elected by acclamation. Below, Frank M. Lorsch, 1st vice-president by acclamation.

—Photo courtesy Mail and Empire, Toronto

Boston Creek District Has Brightest Outlook

Barry Hollinger, Amity, Gold Hill, Hilltop, Telluride and Ostrom Are All in Active Operation—Talk of New Properties Opening Up

By A. E. RICHARD,
Staff Correspondent, The Financial Post

HAILEYBURY. — The Boston Creek district is a scene of much activity this winter and the outlook is the brightest it has ever been. The Barry-Hollinger, Amity Copper and Gold, Gold Hill, Hilltop, Telluride Gold and Ostrom Gold are all in active operation and there is talk of a number of new properties opening up.

The Patterson Copper Mines, which lie next to Amity is to be opened up by Barry-Hollinger. It is thought that the continuation of the Amity ore will be located on this property. Development work will be carried on by the Barry-Hollinger engineering staff.

Montreal interests are reported to have secured an option on the Authier property which lies to the northeast of Barry-Hollinger. Surface work on this group of claims revealed considerable showings of gold, but development work was never carried out.

The Gold Ridge Mine lying to the east of Gold Hill have put up an office, bunk house and stable. Further camp buildings are being built and a steam plant installed. The plant will be ready for active operation by April.

There is talk of the Miller Independence resuming operations. There are several shafts on this property, one of which was put down to a depth of 500 feet. No work has been done on the property since 1920, when work was brought to a stop through lack of funds. Some nice showings were found here, including some very spectacular showings of telluride ore. This property is located halfway between Boston Creek and the Gold Hill mine.

WILD SCRAMBLES ARE PROCEEDING FOR BAY MINING

Reported That Company Will Place 2,000,000 Shares

Quite a wild scramble is going on for shares of Hudson Bay Mining and Smelting Co., which will be the operating company on the Flin Flon in Northern Manitoba.

There are a great many reports going the rounds as to what houses will secure blocks, but that is as much about the proposition that is indefinite. Who will handle the issue, capitalization, etc., are said to be still somewhat up in the air.

The report is that that company will place 2,000,000 shares at $15, which will raise $30,000,000. It is not announced what commissions will be allowed so that it is not known what portion of this will go into the company's treasury as working capital.

If reports are true in regard the number of applications for the shares, the issue will be many times over-subscribed. Some students of the market are advising the purchase of Sherritt-Gordon which can be picked up around $6 at present, which means that the amount necessary to handle one Flin Flon share will handle two and a half shares of Sherritt-Gordon. The Sherritt-Gordon property is not near the advanced stage of development that the Flin Flon is, but sufficient is known about the body from diamond drilling to know that the body has possibilities of being pretty close to the Flin Flon in size.

Those who are discussing Sherritt as an alternative speculation, make the point that the company's finances are in good shape and that there is not a great amount of stock out and it is not likely that any more will be issued for some time. They express the opinion that the market which may develop in the Hudson Bay Co. shares, is bound to be reflected in the Sherritt-Gordon shares with the possibilities, that the cheaper shares may in the end, show the greater appreciation.

It is an interesting situation. An informative article on Sherritt-Gordon, prepared by Pellatt and Pellatt, brokers, appears elsewhere in this issue.

Hilltop Gold Mine is to be Re-opened

From Our Own Correspondent

HAILEYBURY.—The Hilltop Gold Mine, in the Boston Creek district, which has been closed down since last fall, is now being opened up for an aggressive programme of development. A complete new mining plant is being installed which will permit the sinking of the shaft to a depth of 1,500 feet, and the exploration of the main vein system. The shaft at the present time is down to a depth of 400 feet, and as a resident engineer has been appointed, new development will be pushed forward rapidly. Surface work on the Hilltop property revealed 28 veins, a number of which carried commercial ore. The mine is amply financed and it is felt that the 1928 programme will result in Hilltop being brought in as a proven mine.

Buffalo is Losing Grip on Wright-Hargreaves

Wright-Hargreaves shares have been slipping again. It is evident that the Buffalo selling has not been cleaned up as yet. One encouraging fact is that the selling has improved the position of the company. A year ago there were but 450 shareholders while as a result of the recent liquidation the list now comprises 4,500 names.

The great bulk of the stock thrown on the market has been purchased by Canadians with the result that Buffalo's grip on the enterprise has been considerably weakened. The heads of the company, realizing this development, have decided that at the next annual meeting they will place two Canadians on the board of directors. It is likely that W. H. (Bill) Wright will be one of these.

WEAK MART IS ALARMING TO BUYERS

Bidgood Slump Causes Grave Concern to High Buyers

OTHER STOCKS DROP

The mining market has been quite weak during the past week. Some notable declines took place and these are attributed to professional raids. Margin traders have been hard hit and it is said that wholesale calls for additional funds to protect accounts have been pouring out of the margin houses.

The Bidgood slump is the cause of grave concern to many who loaded up with this stock at high prices. They are in a nervous position today. Their experience helps to emphasize the danger of speculators over extending their position in one stock in an effort to make a killing. One broker pointed out that overbuying of an issue on margin created a dangerous position on a weak market. It forced a great deal of liquidation and played right in the hands of the bears.

That seems to have been the case with Bidgood during the past week and gradually other issues became involved by speculators trying to rescue as much as possible from the wreckage. How long the weakness will last brokers are unable to say. They express the opinion that there has been but little real selling and that the great bulk of the long lists of sales represent but little real stock.

Buffalo Holders

Many people are still trying to find the cause of the break in Wright-Hargreaves which suffered another reaction during the week, selilng down to below $6. It is believed that some Buffalo holders are still liquidating and the bulk of this stock is coming to Canada.

The Wright-Hargreaves and Bidgood situation seems to have momentarily weakened confidence in all the Kirkland Lake issues, for without exception, they have all eased back during the week. Teck Hughes worked back to around $10, Lake Shore to $26.50, and so on down the line, some of the new issues, Cambro, Lebel Oro and others, taking the descent with Bidgood.

There are many wild rumors going the rounds about Bidgood. It is difficult to understand how anyone can take them seriously; they are so ridiculous. Many do, however, and this has aided those who put the skids under the issue.

Mining Corporation came in for considerable interest due to the Flin Flon pending financing. This company is to-day in a strong financial position and many conservative buyers have been accumulating the shares. Coniaurum and Coniagas are two other issues that are under accumulation, presumably for a hold for some considerable time.

The upswing that started a week ago in Howey continued until the shares got over the $1.90 mark and for a time threatened to hit $2. It is believed that there were some sizeable orders placed in the market and when these were filled the shares eased. No official information was forthcoming in regard the mine and there is little to induce new buying at the moment, although the news is not a long way off as will be seen by an article elsewhere in this issue.

The Quebec issues are still neglected and soft. Amulet is to blame for this. It is surprising the number of Northern mining men who seem to have got badly burned in this issue. One stated that he was off the Amulet crowd for life. He took a $22,000 loss in Amulet. However, when the Amulet market starts to boil again, as it will likely when the crowd think it time to take the public in again, the majority will soon forget their previous resolutions about this issue and follow along. A considerable amount of new work is going on in the Rouyn area and anything in the way of good news would turn the public back quickly to the Quebec issues.

There is a great deal of talk going on about Sudbury, and many are predicting a boom in that area during the coming summer. Several new operations are about to make their appearance and active exploration of the area is bound to be speeded up.

Fresh Laws Likely to Govern Financing of New Companies

Attorney-General's Department Convinced Supervision Necessary

TO PROTECT PUBLIC

Practice of Giving Underwriters Substantial Blocks of Bonus Shares is Discussed

That the Ontario legislature will be asked to give approval of a measure having to do with the financing of new companies, particularly mining, at the coming session, is well informed gossip that is going the rounds.

Last week it was intimated that there would be some effort put forth to supervise brokerage houses. This, it is expected, will remedy one phase of the bad situation, which investigations of the Attorney-general's department revealed.

In regard to the second proposal, that of closer control over new promotions, it is believed that the main object in view is to prevent the pillaging of treasuries.

In the past, it has not been the easiest thing to induce brokers or financial groups to take up the financing of a new mining company and to make a proposition as attractive as possible, it has come to be the practice to give underwriters substantial blocks of bonus stock. It is true that this usually came from the vendors' allotment of stock, but it is generally supposed that the vendors, with an eye to taking care of such a situation, took down more of the capital stock of the venture than they would do otherwise.

The talk going the rounds is that the proposed new legislation will prevent companies giving underwriters blocks of stock and if the practice is indulged in, the underwriters can be made subject of a civil action to recover the amount which the sale of such shares netted the underwriter, less his expenses and a reasonable commission.

Mining finance is much easier of accomplishment to-day than it was a few years ago. Instead of getting 3, 5 or up to 10 cents a share for initial stock offerings, 30, 40 and 50 cents has come to be more the order. Brokers' selling costs are nothing to-day as compared with what they used to be, and there is little excuse for the old time spread which in many cases resulted in the treasury getting 25 per cent., and in some cases less, of the total amount of money raised. In addition to this, the underwriter has his substantial bonus of anywhere from 200,000 shares on. It has worked out in a number of questionable promotions, that when the vendor of the property, usually some associate of the underwriter, has secured his allotment of stock, and then the underwriter in agreeing to option a certain amount of the treasury stock, secured a fat bonus, the amount left to provide the funds for the operation of the property was very meagre. Too often also, it has worked out that in unloading the stock, the shares pushed the hardest are the vendors' and bonus stock with just the odd share of the treasury stock being taken up for the look of the thing.

There have been suggestions advanced numerous times that companies be forced to issue two kinds of certificates so that a purchaser could tell whether he was getting treasury or vendors' shares.

JOINS BROKERAGE HOUSE
W. C. Kirkham, who has joined the mining firm of J. H. Neill & Co., Ltd., Toronto, as vice-president and chairman of the board. Mr. Kirkham has been with the firm of Cassidy's, Ltd., for a quarter of a century, during which time he travelled Northern Ontario extensively.

OSTROM MINE REACHES DEPTH OF 530 FEET

Larger Plant Will be Installed When Found Necessary

By A. E. RICHARD,
Staff Correspondent The Financial Post

HAILEYBURY.—The shaft on the Ostrom Mine property is now down to a depth of 530 feet. A station has been cut at the 500-ft. level, and a loading pocket is being put in. Crosscutting is to start immediately.

The Ostrom property which lies to the southeast of the Gold Hill Mines in the Boston Creek district, showed one of the largest veins systems on the surface that has ever been found in the North Country.

The shaft was sunk on No. 12 vein, the vein straightened out, but the incline was continued on downwards. There is another parallel break on No. 14 vein, which is to be opened up, to the northeast of the shaft which will be put down here, and within a radius of 400 feet are eight more veins.

Free Gold

Both the No. 12 and No. 14 veins show considerable free gold on the surface, and although the values are irregular it is hoped more regular values will be found at depth.

The shaft had been sunk to a depth of 60 feet by hand drilling when a vigorous campaign of development was inaugurated last June.

A crew of some 30 men are now on the job, working under the direction of James Houston, mining engineer. The mine is equipped with a 600 cubic foot Ingersoll Rand compressor, a 10 by 12 hoist and a steam boiler with a steam pressure of 260 pounds. The camp buildings afford accommodation for 50 men.

Larger Plant

The present equipment will permit sinking the shaft until the milling stage is reached, when a larger plant will be installed.

Ostrom stock is not listed, and will not be put on the market until developments have reached such a stage as the directors consider will warrant such a step.

MANOR MINE

HAILEYBURY.—The Manor Mine, the old Manley O'Reilly property at Boston Creek, is operating again. The shaft is down to a depth of 500 feet, and drifting is being carried on. A new plant and hoist have been installed.

HOWEY GOLD GETS POWER FOR MINES

Important Development Work Taking Place on Company's Property

ASSAY TO BE STUDIED

Details of Possibilities of Property Should be Available by End of March

Shares of Howey Gold Mines have been under steady accumulation during the past week at firmly rising prices. This buying is said to be due to two facts, the gradual realization that Howey is to be a large mine and the announcement of a power deal whereby the mines of the Red Lake area will be assured of an ample supply of power.

Howey has been quite an out-of-the-ordinary promotion. In the first place the bulk of the real money that went into the venture came from mining friends of Pres. Jack Hammell and it is these mining friends, who, realizing that Howey is in the mine making stage, are advising friends to step in.

One large house not usually associated with mining, has taken large blocks of stock off the market during the week. A great deal of this was for U. S. account. Part of it is known to have been taken up on the recommendation of a well known mining man. This same house also received substantial orders from clients who have been waiting for some word in regard to the power situation.

Power Problem Solved

Pres. Jack Hammell is responsible for solving the power problem. The three governments, Ottawa, Toronto and Winnipeg, are interested. Mr. Hammell secured power rights when Howey began to loom large. The proposal is to dam the head water of Lac Seul at the head of English River. There are two power developments on the river which will provide 57,000 h.p. in all.

It is expected that this development will take a year to carry out and by that time Howey should have a mill well under way.

President Hammell says it is not his intention to make any statement on the development of Howey at the present time. Manager Horace Young is at present in Toronto. Important development work is proceeding at the property. Drifting on the vein is going on on all four levels. Just what footage has been made is not known but it is expected that the total on the four faces should be close to 1,000 ft. It is the intention to shoot in crosscuts across the two ore zones about every fifty feet and in this way, a great deal of information about the ore body will be secured.

Study of Assays

On his return to the property, Mr. Young will make an examination and study of the assays and will then send down a statement to the directors. For this reason it is likely that several weeks will transpire before information will be forthcoming.

At the present rate of development, it is expected that the end of March will see available sufficient details to give a good idea of the possibilities of the property and it may be that the directors will then go into the question of a mill. Because of the favorable power development, it is expected that when the Howey launches milling operations, it will be with a sizeable mill.

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The current issue of *Gibson's Fortnightly Mining Review* is considerably enlarged, giving a concise synopsis of important mining developments during 1927, with forecasts of the outlook for the current year.
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Operations to be Resumed Upon Harker Gold Property After Two Years Idleness

Undertaking is Sponsored by Jack Hammell, Who is President

MINE HAS MERIT

Owners Are Not Touching Any Licensing Shares in Their New Venture

Harker Gold Mines, Lightning River area, which is east of Ramore on the T. & N.O. Railway, will resume operations after a couple of years' idleness. The property has a great deal of merit and is regarded as having mine-making possibilities. Quite a number of independent engineers have examined it, and the opinions they have expressed coincide with those of the former manager Horace Young, M.E., now manager of Howey Gold Mines.

Like Howey, Harker is sponsored by Jack Hammell, who is president and managing director of both operations.

Well Developed Property

Harker is a very well developed property. It has considerable proven ore of commercial grade and bright prospects of opening up better and wider ore on new deep levels, which are already partially developed.

It is understood that interests associated with International Nickel financed the previous development programme. Some hitch occurred and Pres. Hammell quit work and flooded the mine. Since then he has been busy on Howey, but now that that operation has reached a position where it can practically take care of itself, he has resumed work on the Harker.

Hammell and his partners have set a good example in this regard. They are not touching the treasury shares in their new financing. Instead they donated 1,000,000 shares from their vendors allotment and are raising close to $500,000 with which to carry on exploratory work. There will remain 1,000,000 shares in the treasury. The names of the vendors and development shares are pooled for a year. Manager and geologist have not been made public, but two men who stand high in the industry have been selected.

Sensation Caused

When the Harker was first discovered and opened up in a limited way by surface stripping, it proved quite a sensation because of the length and consistent width of the large ore zone. A picture of the vein is reproduced on this page. Quite a number of the large companies took a look at the property, and one in particular was haggling over the cash payment to be made, as the prospectors were obligated for a considerable amount of cash, when Jack Hammell came along and slapped down his personal cheque for the amount asked.

Harker Gold Mines Limited owns 18 mining claims in the Lightning River Mining Division. Eight of these claims are patented and all the unpatented claims are in good standing.

There are numerous gold bearing veins on the properties and in 1924 operations were commenced to develop the main vein, which has been proven by stripping and diamond drilling for 3,000 feet and can be traced for 9,000 feet. The properties are equipped with mining plant and buildings for a force of fifty men. There is abundance of timber for fuel and mining requirements, and owing to the plant being convertible to electricity the company is in good shape to take advantage of the Kirkland Lake Power which is now at the Goodfish Mines and will only require the erection of a pole line 18 miles long.

Costs Most Reasonable

The development work to date has shown that mining costs are most reasonable, owing to the good roads and accessibility to the railway.

As summarized from the report of Horace G. Young, M.E., the results as to ore developments were as follows:

On the 125 foot level about 100 feet of $6.65 ore was opened up over a width of five feet, and the whole level averaged around $4.50 per ton in gold.

On the 250 foot level there were 200 feet of $8 grade ore over a width of 8 feet and the entire level, particularly to the west, carried interesting values.

On the 500 foot level a 60 foot ore shoot of $10 grade over a width of 6½ feet was encountered.

It is thus established that as mining was carried deeper the grade of ore showed distinct improvement.

With the resumption of operations it is proposed to sink to the 1,000 foot level and carry on extensive lateral work.

Another most interesting discovery at the mine is No. 2 Vein which parallels the Main Vein and will be reached by a crosscut a short distance from the shaft. This vein where it outcrops shows visible gold, both in the quartz and in the porphyry, but most of the vein lies in low ground. Diamond Drill Hole No. 11, where it cuts this vein at a vertical depth of 330 feet showed it to be 28 feet wide and the values are $8 to $9 for ten feet, five feet being on the hanging wall and five feet on the footwall, with interesting values between.

The great length of the Harker main vein and the improvement in values and widths as work was carried downward enables one to visualize the possibilities when the new programme of development gets under way.

Re-Financing Plans

In announcing his plans to refinance and resume operations, Pres. Hammell says that the original syndicate and himself provided approximately $350,000 for development and purchase of the properties and he says that the expenditure of this sum demonstrated to his absolute satisfaction, and to the satisfaction of former manager, Horace G. Young, M.E., and four examining engineers, that in Harker Gold Mines the company possesses a property that stands in the front rank of Ontario's prospective gold mines. To quote a statement from Mr. Young's report, the examining engineers pronounced the Harker as having "the most promising outcrop which they had examined in a great many years."

He adds:

We now have a shaft 500 feet deep, with a small amount of lateral work completed on four levels. Mr. Young's report shows the grade, width and length of ore developed. It will be seen that we have opened several commercial ore shoots.

In my opinion, we have only touched the possibilities of developing ore bodies over great lengths and to great depths.

Again to quote the engineers, Mr. Young says: "I do not know of any similar outcrop which has not proven to be an important and successful producer, if followed with courage and persistent development." Coming from a man whom I know as well as Horace Young, that would be sufficient for me had I never been near the property.

Speculative Element

To those who desire to join this effort to develop an important property—one that has the earmarks of a mine if I ever saw one—I would say that the only people I desire to have in the effort are those who can afford to speculate. All mining in the development stage is speculative and I wish to emphasize this point so that there may be no misunderstanding.

Harker has proven up as an exceptional prospect, with a good amount of ore showing. But it is only drills and dynamite, plus the best of mining skill and experience, that will bring in the ore bodies to make a year-to-year producer.

We have proven the main vein for a distance of 3,000 feet. It can be traced for 9,000 feet. There are real ore shoots in this vein, and values get better as we go down. The widths are good mining widths. There is every geological and mining reason why Harker should develop as one of the outstanding gold mines of Canada.

Forced to Close Down

Some people may wonder why the Harker was closed down when it had such favorable development results. This I was forced to do owing to the fact that Howey Gold Mines in Red Lake demanded all of my available cash, time and energy and as I was at that time financing and carrying on the development work on the Harker alone out of my own personal funds, having put up $100,000, I had no alternative but to stop development. This I did, leaving our mechanical engineer in charge to keep plant and machinery in condition and to act as caretaker, so that operations might be resumed as soon as I was able to again direct them. Everything is in perfect condition right now. There is approximately $25,000 worth of supplies on hand, consisting of flour, sugar, coffee, blacksmith coal, utensils, spare parts, etc., together with 700 cords of wood piled at the boiler.

In order to start up again we will only have to provide for fresh provisions and dynamite and pump out the underground workings which should not take more than two weeks at most. Now that Howey Gold Mines has advanced to its present stage, I feel free to devote to Harker Gold Mines the time and energy required for its complete development.

Procedure

We will endeavor to prove Harker as a gold mine during 1928, and it calls for a spirit of team work and an appreciation of both the possibilities and the hazards attached to all mining ventures that have been successful in Northern Ontario.

We have decided to offer one million shares for immediate sale through brokerage houses prior to listing. As we have made clear, these shares are my personal donation to the re-opening of Harker in which my associates have joined with me in proportion to their holdings.

No salaries are being paid to any officer or director from the president down, other than to the mining staff in actual charge of the work, nor will there be salaries or rentals in connection with the head office as our solicitors act in the capacities of secretary and treasurer.

The engineer's report appearing herein was made by the management for the directors at the time of closing down of operations. Mr. Young has absolutely no interest in this flotation.

An early announcement will be made as to the appointment of the engineer in charge of operations and the head geologist.

In conclusion, those who participate in this speculation will be assured of immediate action, the best of mining skill and management, and "a run for their money" on one of the most promising developed prospects in the pre-Cambrian shield.

"Refinancing" is scarcely the term to describe the new Harker financing. It is rather a case of the president and his associates spending the sum of $350,000, of which Mr. Hammell put up the larger proportion, to carry on development at depth and give the property a proper mining test. The results of development were such as to justify the further operation of the property, according to the report of the company's engineer, but as the president became active in the development of Howey Gold Mines at this time, it was decided to suspend operations until he could again devote sufficient of his time and energy to the complete development of Harker.

No New Issue

It was decided that in order to keep one million shares intact for the purpose of building a mill, Mr. Hammell and the original syndicate would donate to the company one million of their own shares. Thus there is no new issue of shares or no reorganization required when the public is invited to participate.

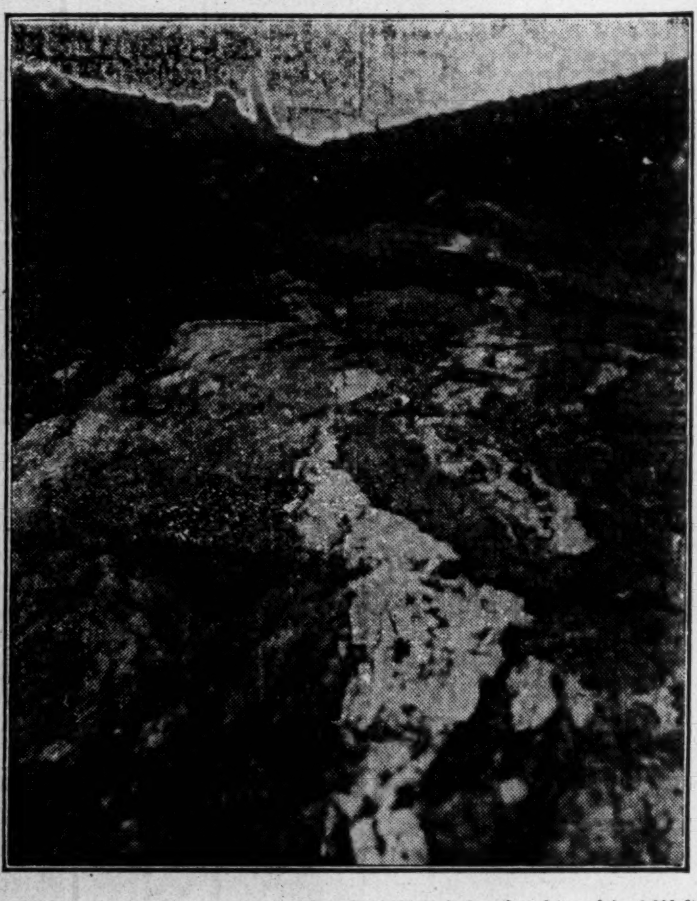
An official circular which has just been issued contains a statement from the president, as well as the report made by Horace G. Young, M.E., the engineer who had charge of the early development. Mr. Hammell sets forth his own faith in Harker and makes clear that while prospects of bringing in a mine seem to be substantial, he desires only those who can afford to speculate to participate in the present issue of Harker.

The report of Mr. Young, who now has no connection with Harker, and is manager of Howey Gold Mines, Limited, was prepared at the end of 1925 and is a review of development and the results obtained during the nineteen months of operation. The company also had the reports of four examining engineers and concerning the unanimous opinion of these engineers, Mr. Young has the following to say: "Surface Outcrop—This, as you know, gave us an average of approximately $6.50 per ton in gold over a width of about six feet for a length of 300 to 400 feet. This result was pronounced by Messrs. Robinson, Wright, Hitchcock and Rogers, the examining engineers, as the most promising outcrop which they had examined anywhere in their experience for a great many years. A showing as good as this is a strong argument for success, particularly in the Pre-Cambrian. I do not know of any similar outcrop which has not proven to be an important and successful producer, if followed up with courage and persistent development."

In addition to the summary of No. 1 Vein development given above, Mr. Young also describes the cutting of No. 2 vein with diamond drill at a depth of 330 feet. On surface this vein shows gold in both quartz and porphyry but most of it lies in low ground. Where it was cut by diamond drill it was shown to be 28 feet wide and values are $8 to $9 per ton for ten feet, five feet on the hanging wall side and five feet on the foot wall wide with interesting values between.

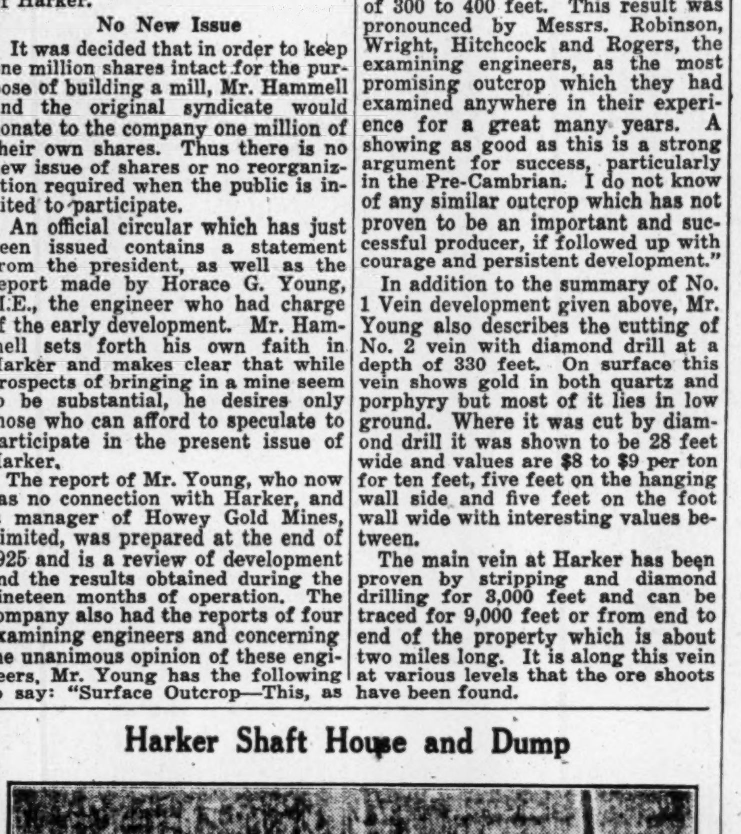
The main vein at Harker has been proven by stripping and diamond drilling for 3,000 feet and can be traced for 9,000 feet or from end to end of the property which is about two miles long. It is along this vein at various levels that the ore shoots have been found.

Famous Harker Vein



The above shows the Harker Vein opened up for 3,000 ft. in length and traced for 9,000 ft.

Harker Shaft House and Dump



Above picture shows the Harker operation in Lightning River in from Ramore on the T. & N. O.

Bagging High Grade Ore

The above picture was taken on Abitibi property in Lightning River area adjacent to Harker. Some very rich ore was encountered.

FEDERAL CHARTER HAS BEEN GRANTED TO MONELK MINES

Company Has Authorized Capitalization of 1,000,000 Shares

From Our Own Correspondent

MONTREAL.—A federal charter has been granted to Monelk Mines Limited, with an authorized capitalization of 1,000,000 shares no par value.

Application to list the shares of this company on the Montreal Mining Exchange is to be made forthwith, and it is hoped that active trading will commence about the 15th of this month. A considerable reduction in the option price on Monelk Mines has been effected, thereby leaving a balance of only $20,000 payable as follows: $5,000 on May 1st next, and on each succeeding six months period thereafter. Considerable work has been done on the property prior to the incorporation of the company, and necessary equipment has been installed. In consideration of the reduced option price, the work done and the equipment installed, and for the guarantee to complete the work as recommended by J. G. Sipprell, M.E., in his recent report, the company has agreed to set apart 600,000 shares to those undertaking the completion of the work.

No further treasury stock is under option, nor is it the intention of the directors to offer any at the present time. As soon as further funds are required, it is intended that the treasury stock shall be issued to the shareholders then on record in order that the company may get full value on these shares. A unique feature in the prospectus of this company is that no commissions are allowed on the sale of treasury stock.

Monelk Mines property is located three miles from Elk Lake in Tudhope Tp. Altogether the company own over 120 acres. Recently a contract for the sinking of the shaft was awarded and this week is now under way. These claims were formerly owned by the Silver Alliance Mines Limited, from whom the option to purchase the property was acquired.

The directorate of the company is composed of the following: Percy Luscombe, president; Ernest J. Clark, vice president; directors, Thos. Kennedy, C. M. Cotton, and one other shortly to be appointed.

IMPORTANT CLAIMS ACQUIRED BY 'OWL'

Expected Public Offering of Shares Will be Made Soon

Eighteen rather important claims have been acquired by Ontario Woman Lake Gold Mines in Woman Lake. Six of the claims adjoin the company's north holdings, two are on the east and four on the west and are in l of strike of important veins wh cross the property in an east-w direction.

The other 12 claims are at the sou end of Woman Lake below Medici Rock holding of the company. Con siderable surface exploration has bee carried out with work being confine to four veins. Several are untouche as yet. This will make the holding o the "Owl" Co. as Ontario Woman Lak Gold Mines has come to be known, claims, 1,400 acres. The change o shares, by which old shareholders g 10 new for one old, will soon be accom plished. It is expected that a publi offering of shares will be made soon. The company carried on a substantial diamond drilling campaign on its pro erty last fall and in one vein got $11. over a width of 29 feet.

Ore receipts at Trail Smelter from December 22 to 31, 1927, inclusive, and from January 1, 1927, to date in tons:

Company's mines ..	13,894	438,72
Other mines	1,809	140,92
Total	15,705	579,651

An Offering of Shares for Immediate Purchase Prior to Listing

ONE MILLION SHARES OF
Harker Gold Mines
(No Personal Liability) Limited

At 50 Cents a Share

HARKER Gold Mines Limited offers One Million Shares of Stock, the proceeds from the sale of which will be used entirely for the benefit of the treasury of the company solely for future development expenses. The above shares have been donated by Mr. John E. Hammell, President and Managing Director, and the members of the syndicate which supplied the funds for the first development in proportion to their respective holdings. This will leave 1,000,000 shares intact in the treasury of the company to defray the expense of a suitable mill. All the shares of the original owners, except 8,000 shares, together with the shares which were taken up by the syndicate for development, other than the shares which are donated back for the benefit of the treasury and which are now being offered for purchase, are pooled with The Trusts & Guarantee Company Limited, Bay Street, Toronto, until December 31st, 1928. The properties are free from all debt or encumbrances.

MINING PROPERTIES
Ramore, Ont.
Lightning River District

HEAD OFFICE
801 Dominion Bank Bldg.
Toronto, Ont.

CAPITALIZATION
5,000,000 Shares of a Nominal or Par Value of $1.00
Issued for property . . . . 2,499,994 Shares
Issued for development . . . . 1,500,000 Shares
Remaining in Treasury . . . . 1,000,000 Shares

PRESENT OFFERING
Of the above issued shares, John E. Hammell and the original syndicate have contributed for the benefit of the treasury of the Company 1,000,000 shares.

OFFICERS AND DIRECTORS
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January 11, 1928

ACH BRANCH OF TADANAC HAS GROWN

Ninth of World's Supply of Cadmium is Produced

ZINC PLANT EXTENDED

Two 1,500 Gallon Per Minute Centrifugal Pumps Are Added to Pumping Station

By H. H. CURRIE

NELSON, B.C.- -Repeating its invariable annual record of the past seven or eight years, Tadanac, the collective name of the great and varied reduction works at Trail, of the Consolidated Mining and Smelting Co. of Canada, wrote one more year of notable expansion into its history, during 1927; but instead of expanding only in two or three principal directions, it expanded more or less "all over the place."

The zinc plant grew by nearly 50 per cent., coming up to a capacity of 300 tons of refined zinc per day, this involving a whole flock of new buildings. In connection with the zinc plant, a cadmium plant was erected and brought in, which will henceforth turn out about a ninth of the world's supply of this very valuable metal. While the lead side of Tadanac did not gain new capacity, it was improved greatly nevertheless.

One item of the improvement being a doubling of the drossing plant, whose office it is to take out the copper from the lead bullion, while the lead refinery, brought up a year ago to a capacity of 400 tons, has been pushed in operation up to a present output of 425 tons. Neither did the copper side gain new capacity, but the year ends with the copper coming from a reverberatory furnace instead of from the old blast furnaces. A coarse and fine crushing plant has been built for the custom concentrator. An extensive electrical enlargement and rearrangement has taken place. Giant new treaters are handling the lead fumes with increased efficiency; an incidental result being that the average man can now work 1,000 months, or 83 years, before his first dose of lead poisoning. The machine shop, already many times enlarged, and thought the largest in the province, is again more than doubled in size. The foundry has been enlarged. An administration building in keeping with the rest of Tadanac now presides over the great associated industries on the hill.

High Spots

These are some of the year's most noticeable changes. They are only the high spots.

To be at a bound a factor in the world's cadmium market, proportionately to the position the Consolidated already occupies in relation to the world's lead and zinc, is the result of the company's entry on the production of electrolytic cadmium, as an offshoot of or in association with its zinc production. The world's production has been around two tons per day, and cadmium "pencils" bring around 60 cents a pound. The Tadanac cadmium plant, erected this year and brought in about three weeks ago, will produce 500 to 600 pounds of cadmium a day, or a ninth or an eighth of the world's production.

The cadmium is recovered in the last stages of purification of the electrolyte before the zinc is electroplated out, the zinc having in association with it in the residue both cadmium and copper, and minute quantities of other minerals. The recovery is by a process very similar to that used for zinc, the cadmium being redissolved, and then deposited on aluminum starting sheets.

Hardening Other Metals

This metal has extremely valuable commercial uses, most of them in connection with hardening other metals or in connection with its property of giving a hard surface capable of a high polish and being rust-proof It is extensively replacing nickel-plating for auto parts, is used for electro-plating iron to replace galvanizing with zinc, also for playground apparatus, replaces tin in solder, hardens and toughens copper for trolley wires for street car and railway service, alloys with lead to improve the lead sheathing for telephone and other cables, is used in the glass and pottery industries and in the manufacture of rubber and soaps, and a small amount is used in alloying with silver for tableware Cadmium sulphide is also used in making high class yellow paints. Many of these uses are increasing, and it is hard to imagine a time when there will not be a highly profitable market for Tadanac's output.

Extensions to the zinc plant, which already turns out about a twelfth of the world's supply of zinc, consisted of 80-ton additions to the roasting plant, the leaching plant, and the electrolizing rooms, and a 100-ton extension to the rotary converter room.

This involved in detail a new roaster building 255 by 45 feet, containing six 25-foot Wedge roasters of 35 dry tons capacity each; and associated with the roasters, a coal pulverizing plant, a brick flue 600 feet long, carrying the gases to the main flue, and a heating plant; a leaching plant 160 by 170 feet dimensions, containing nine 50-foot Dore settling tanks; a 270-foot extension to No. 2 tank room and a 75-foot extension to No. 3 tank room, together containing 602 electrolyzing cells; a 115-foot extension of the rotary converter room, adding five rotary converters to the previous battery of five; a drier building 120 by 40 feet, containing two driers, 8 feet diameter by 60 feet long, for drying residues; a melting room extension of 65 by 55 ft., adding a large melting furnace of 100 tons capacity in 24 hours, bringing the refinery's melting capacity to 325 tons; and a change room containing 240 lockers, and dining room. Most of these buildings are of steel and gunnite construction. For the rotary converters the West Kootenay Power & Light Company has extended its substation in connection, 115 feet.

This illustrates what extension of capacity at Trail in relation to just one metal may involve.

While part of the new capacity has been put into use, the last 40 tons capacity, of the 300-ton total of electrolytic zinc now available has not yet been, and will wait upon the arrival of the new power expected from Bonnington perhaps 15 months hence.

On the lead side of Tadanac, the year's developments have been in the smelting end, and have been directed to increased efficiency in getting a high grade bullion. The drossing and casting plant, brought in two or three years ago, is being practically doubled in capacity, and through it passes all the bullion from the lead blast furnaces.

This bullion, arriving from the blast furnaces in a molten state in great pots carried by traveling crane, is poured into reverberatory furnaces, and its temperature there controlled to a point where most of its copper and antimony contents come to the top in the form of a dross. This dross, skimmed off, is treated in other reverberatory furnaces to extract as much of its lead as possible, and it finally remains a high grade copper product, which is sent to the copper refinery for ultimate recovery.

The casting is the next operation for the purified lead bullion, which is run out of the reverberatory furnaces into large steel pots or tanks of 100 tons capacity, in which the temperature is again controlled to the point for casting the lead anodes. Centrifugal pumps then pump it from the pots into moulds, on the large casting wheels, of which there are two, each capable of casting about 500 tons of lead per day. The anodes in due course are shipped in rack cars, each car holding the right number of anodes for one cell, its load being picked up by traveling crane on arrival at the refinery and deposited undisturbed in the tank.

Blast Furnace

There has been no increase in blast furnace capacity during the year, nor has any been needed. The smelter, however, has been making a record output and recently for 10 days at a time has maintained a steady output of 575 tons of lead bullion a day.

The last big extension to the lead refinery, of 50 tons, was completed toward the end of 1926, when the nominal capacity was brought up to 400 tons of electrolytic lead a day. With this, Trail turned out a tenth of the world's production of lead. This has since been pushed up by efficiency in operation to 425 tons a day, the present output.

While this new figure represents the Consolidated's present capacity of refined lead, the company's total lead production need not be limited to that figure. If for any reason it should be deemed desirable to market all the lead possible, the smelter has blast furnace capacity for 600 tons of lead bullion, and the excess above the capacity of the refinery could be shipped to Europe in bullion form.

Reverberatory Furnace

The copper smelter changed from a blast furnace to a reverberatory furnace basis during the year, so far as copper concentrates, the present smelter feed, are concerned. It being determined that the blast furnaces were not suitable for the purpose of the concentrates, a reverberatory furnace, approximately 60 feet in length, was built, coming into use late in the summer, for smelting the concentrates from the Canada Copper Company's concentrator at Allenby, which operates on the Copper Mountain ore. If crude ore should come in, it would be smelted in the blast furnaces, but all copper concentrates will be treated by reverberatory furnace.

No change occurred, or was necessary, in the copper refinery, which has a capacity of 70 tons of electrolytic copper a day, but is producing about 30 tons a day from the Canada Copper source.

There was no material change in the silver refinery, which by recent enlargement is equal to all demands, and which recovers the gold and silver values from the slimes of the tank rooms.

As yet the antimony plant, which is an offshoot of the silver refinery, from whose fumes and slag the antimony will be recovered, has not begun production, further experimentation being carried out.

A highly important operating enlargement and improvement was in connection with the electrical side of Tadanac. The added battery of five rotary converters accompanying the zinc extension was only one of these improvements. A new 60,000 volt Stepdown transformer station was built at the north-west end to provide current for the copper, lead and silver refineries. This also serves as a second source of power for the substation that supplies the smelter side.

West Kootenay Power

The West Kootanay Power and Light Company, whose plants at Bonnington supply the current, has also made new provision, with a large switching station, 80 by 60 feet, where all the lines come in, and from which current is distributed for all Tadanac plants. The different lines can be switched in any direction to serve the need of the moment.

Trail's system of Cottrell treaters, already widespread, brought in the biggest of them all early in the summer, in connection with which was built the new concrete stack for the lead smelter, this stack being 409 feet high and 24 feet inside diameter at the top, a yard wider than its companion zinc stack. The office of the treaters, of course, is to precipitate the solids in the smoke or fume, their values being later recovered, running to large sums, but a secondary result is that the smoke is robbed of its deleterious quality.

In operation, atomized water is pumped into the treaters under high pressure and shot in very high sprays in the humidizing flues, helping in the collection of the dust. Water from various other sources also has to escape from the stacks. Thus, in the zinc plant about 60 tons of moisture from the concentrates goes into steam daily along with about 40 tons of water vapor from the leaching plant whose acid solutions dissolve the zinc from the roast. Cottrell plants are now used so extensively at Tadanac and are working so efficiently that if it were not for this steam there would be hardly any visible smoke from the stacks, it following that it is often difficult to tell from the stacks whether the plants they serve are working or not. Most of the time the lead stack, which gives out the treated gases of the lead smelter, has no visible smoke, though "the hill" burns around 260 tons of fuel a day, and Tadanac snow, which a few years ago always showed a tinge, is now as white as any other.

Lead poisoning has practically disappeared from the hill, there being not over two or three cases a month, and those not serious. The average worker on the hill, on these figures, can work 30,000 shifts of 10 hours each before his turn will come.

Even this record is not considered perfection at Trail. A vacuum system for handling the flue dust has been installed in all the flues in the zinc plant, and a similar system is being installed in the flues in the smelter, at a cost of around $75,000. It is hoped that this method of drawing out the flue dust will practically abolish the last sign of lead poisoning at the works.

Increase in recoveries from the extending Cottrell system has been very satisfactory.

One other part of the reduction plant to receive improvement was the custom concentrator, in connection with which a coarse and fine crushing plant, housed in a brick, steel and concrete building 175 by 60 feet, was put up, capable of crushing 100 tons of ore an hour to quarter-inch size. The equipment, when installation is completed, will include a 250-ton receiving bin, conveyors, 24 by 36 inch jaw crusher, 10-inch fine reduction crusher, 60 by 24 inch Traylor rolls—the latter in a closed circuit with Leahy screens — a sample mill, six 250-ton bins, available as storage, transfer or bedding bins as required, and 30-ton traveling crane.

Centrifugal Pump

Two 1,500-gallon per minute centrifugal pumps have been added to the Columbia River pumping station serving Tadanac, making five in all. This follows a big water development last year, when water of various creeks was brought to a central station, with a new 1,000,000-gallon reservoir, to place Tadanac beyond the possibility of a shortage.

Expansion of the vast working plant at Tadanac, fabricating for and serving in many ways the great reduction works, as well as all Consolidated operations throughout the Kootenay, never ceases, and this year was again proportionate to the other developments.

Machine-shop extensions chronicled in recent years are put in the shade by the latest one. A great steel, gunnite and glass building 210 feet long, 60 feet wide, and probably double the height of what will now be called the old wing, has just been completed, and installation of plant in it is now taking place. This great modern shop is entirely served with a 35-ton traveling crane, and the arrangement is such that the shop connects with the end of the various other shops—present large machine shop, welding shop and plate shop—the cranes of which can deliver material to its crane, or vice versa. Castings from the foundry, delivered by the foundry crane to transfer tracks, also come into the end of the shop, available to the big crane. The new shop, whose floor is of wood blocks set in pitch, is also served by standard gauge C.P.R. tracks, so freight cars can be loaded or unloaded by the crane. All the big heavy duty machines from the old shop—old only relatively speaking, for most of it has been new within the last three or four years—have been set up in the new one, including four or five great lathes, mammoth planers, and so forth. The main erecting floors will also be in the new shop.

Largest Rolls

At present the largest rolls ever built in Canada are being assembled in the new shop. Of these rolls, 60 by 24 inches, one will go into the coarse crushing plant at Moyie, a second into the larger crushing plant just erected for the Tadanac concentrator, and castings for a third are now being made. All the iron castings for these have been made in the Tadanac foundry, while the large roll shafts were rough-forged in England, and machined in this shop.

When the installations in the new shop are completed, the old shop, so-called, will be arranged with the small machine shop tools, including such "almost human" tools as turret lathe and gear-cutter, capable of most complicated processes without attention, and a much larger space will be devoted to the electrical machine shop. Here also is housed the plumbing shop. Among jobs in hand in the old shop at the moment are the building of an air compressor, all castings for which were made in the foundry, and of cylinders to control the gates of the Sullivan mine. For several years it has been claimed that Tadanac could turn out a steam locomotive complete. Extent of the expansions may be gathered from the fact that the original machine shop fills only four bays out of 15 or 20 in what to-day is the "old shop."

The foundry, only added in the last half dozen years, which has had several additions, has just had a 130 by 25-foot extension, which increases its floor space by 50 per cent., the equipment being increased by one large cupola enabling the foundry to make iron castings up to 20 tons weight. In its second year this plant sprouted a brass foundry as part of its internal organization.

An enlargement of the welding shop is another current development.

What the various shops and auxiliary plants at Tadanac mean in the Consolidated operations is not generally realized.

Structural steel for all new construction, equipment for the thousands of cells in the tank rooms, bearings, gears, valves for machinery, large and small, concentrator machinery for Tadanac, Kimberley, Moyie and elsewhere, steel balls for the mills, pots for the smelters, all this is a part of Tadanac production that never figures in the output tables, it is merely a part of operation. The Kimberley concentrator, the Moyie concentrator, the drossing plant, and other recent structures were largely fabricated, except for electrical equipment, at Tadanac.

Then also there are such plants as the sulphuric acid plant, never heard of, but producing this by-product mightily for leaching plant and tank rooms; the electric locomotive shop, which does everything, including building new ones, and which keeps the electric trams running; the carpenter shop, which turns out on occasion such fine work as bowling alleys for the company recreation halls.

Fire-proof Warehouse

A valuable facility, provided at the end of last year, but only brought into use in the last 12 months, is the huge fire-proof warehouse of several stories, with concrete floors, and steel shelving, in which is a complete assortment of technical supplies, particularly electrical. From this it is said any motor in the works can be replaced in 20 minutes.

Among incidental facilities added during the year is a three-story change room, 74 by 30 feet, of steel and concrete construction, with pressed steel lockers for 690 men, for the blast furnace workmen.

The final item in the year's construction program at Tadanac is the provision of an administration building in keeping with the modern Tadanac. The permanent portion of the general office building, as known for some years, is being more than doubled in length, and to the whole a third story is being added. When completed, it will be a splendid three-story fire-proof structure, 150 by 50 feet ground plan, well appointed, and adequately housing the executive offices, mines department, and construction department on the third floor; the operating, purchasing and legal departments on the second floor; and the accounting and pay offices on the first floor.

In Spite of Low Prices Earnings Are Sustained by Consolidated Mining

Substantial Increase in Output of Lead and Zinc Reported

From Our Own Correspondent

MONTREAL.—Production report of the Consolidated Mining and Smelting Co. for 1927 shows a substantial increase in metal production. This has been sufficiently large to take care of the loss brought about by the low level attained by base metal and silver prices, as it is announced by the company that 1927 earnings are equal to 1926.

There was a substantial increase in the output of lead and zinc; silver outputs remained practically unchanged; the production of copper showed a falling off and there was a major decline in the gold produced. In value, the gold production fell off by roughly $400,000; however, the company's output of gold plays a small part in the total revenue. Perhaps the most satisfactory feature of the production figures is the fact that during the last quarter of the year, there was a substantial increase in the lead and zinc and copper output as compared with the other three quarters. For its profits, the company depends chiefly on the output of these metals.

It has been officially announced that the profits of the company for the year just concluded will not be less than in 1926. This is the more satisfactory as it means that Consolidated Smelters has effected substantial savings in its operating costs for metal prices have been much lower this year. This situation is also the more satisfactory in view of the increased output during the last quarter of the year.

The production figures follow:

	1927	1926	Inc.
Lead (tons)	145,521	131,052	14,469
Zinc (tons)	73,527	67,546	5,981
Copper (tons)	9,262	10,632	*1,370
Gold (ozs.)	29,490	50,075	*20,585
Silver (ozs.)	7,179,607	7,178,817	790

*Decrease.

Following are the production figures for the fourth quarter with 1926 comparative figures:

	1927	1926	Inc.
Lead (tons)	38,253	33,394	4,859
Zinc (tons)	21,603	16,642	4,961
Copper (tons)	2,625	2,309	316
Gold (ozs.)	7,091	11,687	*4,596
Silver (ozs.)	1,832,209	1,844,119	*11,910

*Decrease.

Production figures for the individual quarters of the past year show that the last three months of the year were the most productive in copper and base metals.

†Silver (ozs.) 1,832 1,845 1,781 1.720

	1927 Quarters 4th	3rd	2nd	1st
Lead (tons)	38,253	35,447	37,668	34,153
Zinc (tons)	21,603	19,836	15,429	16,020
Copper (tons)	2,625	1,991	2,303	2,617
Gold (ozs.)	7,091	7,797	7,156	7,464
†Silver (ozs.)	1,832	1,845	1,781	1,720

†000 omitted.

PAWNEE GOLD MINE CUTS NO. 2 VEIN

Several Rounds Show Width of 20 Feet of Mineral

Pawnee Gold Mines, operating in Lebel Township, Kirkland Lake, cut No. 2 vein on the 750-ft. level, during the past week. Assays are not as yet available. Several rounds were taken out of the vein and it shows a width of 20-ft. of vein material and mineralization.

On the 500-ft. level, the vein was opened out for 150-ft., and showed a width of 6 to 12 feet of good ore.

Just what the next step in development will be, is not known for the moment. It may be that the shaft will be carried down to 1,000-ft. When that horizon is reached, it is the intention to instal a new electrically driven plant.

Shaft is Down 205 Feet on Fisher-Quebec Mines

The shaft on Fisher-Quebec mines at Fisher Station, on the Transcontinental Railway, is down 205-ft., and crosscutting north and south is being started from the 175-ft. horizon. Frank Loring, M.E., consulting engineer, says that operation is decidedly interesting, and he has hopes for good results from the crosscutting.

LARGER DRILL CAMPAIGN

Sudbury Basin Mines has materially enlarged its diamond drilling campaign. The expectation is that the company will pick up the extension of the Yukon Treadwell ore body.

Tests made by the U. S. Bureau of Mines in the Caribou mine of the American Mining & Prospecting Co., at Caribou, Colo., indicate that radio waves will penetrate 600 feet or more of rock strata. The experiment was performed in connection with the study of various methods of geo-physical prospecting.

Kirkland Gold Belt is Bought by Jordan

One Blot on Good Record of Clean Promotion Enjoyed by Lebel Township is Removed by Purchase of This Option

The one blot on the good record for clean promotions enjoyed by the Lebel Township section of Kirkland Lake, has been removed by the action of C. F. (Fred) Jordon, is purchasing the option on Kirkland Gold Belt.

By the use of a "tipster" sheet, Kirkland Gold Belt was heralded as one of the great properties of the north. It may prove to be. There are some who regard it as being one of the great properties in Kirkland Lake, but the methods of pushing the shares, was frowned upon by all those who had the interests of clean promotion at heart. The public did not prove as gullible as was expected and soon the campaign fell flat. It is believed that no more than 400,000 shares were sold. A small amount of work was accomplished with the funds raised.

Fred Jordon is one of the pioneers of this end of the camp and one of the largest property holders, having controlled Pawnee, King Kirkland and held a substantial block of Wood Kirkland, which company sold its property to Kirkland Gold Belt.

The rest of the companies in the area owe a vote of thanks to Jordon for cleaning up the situation and, if reports going the rounds, have a basis in fact, the deal will give the camp another very large operator.

Incidentally, Fred Jordon, to handle the deal which runs into many thousands, sacrificed Lake Shore and Teck Hughes shares which he acquired in the early days of the camp and which he said he would never sell.

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Mining Inquiries

Pontiac Mine

I have some shares in Pontiac Mine & Power Co. Do you think it's a good investment?

Pontiac Mine and Power Company is not an attractive issue.

Rhyolite Rouyn

Would you kindly give me particulars of the above?

Full detail of Rhyolite Rouyn Mine will soon be announced. We regard the deal Duprat negotiated as an attractive one for that company.

Demara Mines

I would be pleased to get your opinion on the Demara Mines, Ltd.

Demara Mines has well located holdings in Quebec. The shares are soon to be listed. It looks like a good prospect.

Big Missouri

Kindly give me your opinion on Big Missouri Mining Stock.

Big Missouri shares look like an attractive gamble in view of the fact that Consolidated Smelters has taken over the operation of the property.

Ontabec

Kindly let me have whatever information is available on Ontabec Mines, Ltd.

Ontabec Mines has large holdings in N. W. Quebec, many of which have been sold under a variety of agreements. It looks like a good speculation.

Howe Sound

Would you kindly give me your opinion of this stock for a steady rise non-par value shares?

Howe Sound Co. is well regarded and many shrewd speculators in the West have been picking up the shares. It looks attractive as a hold.

Noranda

Kindly forward a report on the Noranda Mines. We would like to know what you think of the common stock as a speculative investment.

Noranda Mines looks like an attractive speculation for a hold. The annual report should be out in about 6 to 8 weeks' time, and should reveal an attractive situation.

March Gold Mines

Would you kindly give me your opinion of March Gold Mines?

March Gold Mines is a Porcupine operation that has not been well handled. New people have been trying to find some ore. The old control built a mill but had no ore of any consequence to feed to it.

Lebel Lode

I would appreciate your opinion on Lebel Lode Mines in Kirkland Lake.

Holdings of Lebel Lode are considered attractive and the heads of the company have been buying hard to get funds to explore the claims. What funds have been raised have been well and intelligently spent.

Barry Hollinger

I would appreciate your opinion on Barry Hollinger. Do you think it an attractive speculation for a hold at present price?

Barry Hollinger is producing on a small scale. The shares are selling somewhat below the high attained in the early winter. The management is making an effort to prove up a big mine.

Malartic

I am holding these shares, bought at 53c, and would be glad of your opinion as to the speculative possibilities of this stock.

Malartic Gold Mines has attractive holdings in N. W. Quebec, and is now doing lateral work to follow up diamond drill results. The operation is in good hands and is well regarded.

British United Mine

I would be obliged if you would give me any information regarding British United Mines.

British United Mine shares were for a time listed on Montreal Mining Exchange, but were taken off when it was said some new financing was contemplated. Little is known of the operation, but the capitalization for a placer operation seemed rather high.

Wright Hargreaves

I should like your view on the above. I bought at 53c.

Profit taking is blamed for the weakness in Wright Hargreaves shares. It is said that some of the large Buffalo holders have been selling and buying into some of the attractive prospects. Wright Hargreaves is a substantial dividend payer and is developing much richer ore as it goes down.

Flin Flon

Do you know if the Flin Flon will be putting any shares on the market, and what price; also I would be glad to know where their Canadian office is situated.

No announcement of any public offering of Flin Flon shares has been made, but many think that something along this line will ultimately be done. The Post will carry the news when it comes about. Purchasing agent's office is located at Winnipeg.

Sudbury Zinc

I would very much appreciate information regarding the new zinc developments in the vicinity of Sudbury. Is this a fairly safe speculation? What is the market price for stock, and where can they be obtained?

You did not mention which Sudbury Co. you are interested in. There are many, but the leader is Errington Mine, operated by Treadwell-Yukon Co. Shares are selling at $26, and have very attractive possibilities.

Robb Montbray

My father holds some stock in the Nipissing Mines and has been advised by them to purchase stock in the Robb Montbray Mines. Will you please be good enough to give me your opinion on Robb Montbray?

Robb Montbray is a company organized by Nipissing to operate its Montbray, Que., property. Nipissing itself is getting out from under by selling enough stock to get back all its money. Under ordinary circumstances, this would be a weakness, but it is not to be regarded as unfavorable in this case. Quebec Prospectors, vendors of the property, are buying up shares. It looks like an attractive speculation.

Engineer Mines

Have you any late information regarding this company?

You must have reference to 1926 Survey of Mines. You will find the latest information on page 141 of the 1927 edition. This is the latest available.

Five Kirkland Issues

Please give me your opinion of the following Kirkland Lake mines:—Bidgood, Cambro, Lebel, Pawnee and Con. Royal?

The stocks you mention are all good speculations. The ventures are in good hands, and a speculator should get a good run for his money.

Keeley

Could you give me any information about Keeley?

Keeley Mines is now paying 16c. per share per year. Production has been materially curtailed because of the low price of silver. This makes Keeley as well as the other silver issues unattractive.

Buckingham

About six years ago I purchased 500 shares of Buckingham at 42½c a share, and I have held them. To-day the stock is quoted at 5½c. What are the prospects?

You had one gamble in Buckingham—and lost. It is doubtful if it is as good a gamble at 5c. as it was at 42c. Our suggestion would be to leave it alone.

Dominion Lead

Is there a market for Dominion Lead Mining Co., Ltd., and what are the prospects for it?

Best opinion is that shares of Dominion Lead are valueless. No one seems to know much about the property or about the backers of the enterprise, supposed to be New Yorkers. The company that was carrying on the financing in Toronto has closed its door.

Metals Dev.

I have an enquiry from abroad for information regarding this company and have been experiencing considerable difficulty in obtaining any information concerning them. Would you kindly give me any particulars about this concern?

We presume that you have a copy of the 1927 Survey of Mines in your office, if not, our Montreal office, Southam Bldg., Bleury St., may have a spare copy. You will find the facts about this company on page 252.

Arntfield Syndicate

What is the best news you can give me on the Arntfield Syndicate, Ltd., to date?

Latest edition of Survey of Mines, 1927, was published Oct. 1. The 1928 issue will be available about April 30. Arntfield Syndicate has large holdings in N. W. Quebec, but does not seem to be making much progrees with them. Several groups were under option at various times, but the exploration effort that resulted does not seem to have been encouraging enough for them to keep going.

Dominion Land

Can you give me any information about this company?

Dominion Lead came to grief some time ago when the promoters closed their doors after a short, hectic career. Some New Yorkers were given as heads of the mining company, but they have not come forward with any announcement as to what will be done with the assets—if any—of the company. It all gets us back to the old acid test for a new mining company—who's behind it?

Sherritt-Gordon

I notice in some of your last issues you write well of Abana, also Sherritt and Gordon Mines. If stock in these is for sale will you please advise me where the shares could be purchased and also state the price?

Abana and Sherritt-Gordon shares are traded in on Standard Stock & Mining Shares, Abana $3.60 to $4, Sherritt-Gordon $5.85 to $6.00. Any broker, or your banker can negotiate a purchase for you.

Marshay Zinc

One of our customers has contracted to buy 2,000 shares of Marshay Zinc Mines, Ltd., at .60c per share, and now comes to us seeking information. We would appreciate any information you may have as to the prospects of this mine.

Marshay Zinc has a good looking prospect that is said to warrant a diamond drilling campaign to test it out. This camp is coming into prominence and its real possibilities are only becoming known. Marshay looks like a fair prospect but we are not posted as to the ability of its backers to put the venture over.

Nortricia

As I am a shareholder in the Bourke Red Lake Co., will you kindly tell me if any change in the standing of the Bourke Red Lake shareholders has been made.

Mr. Marshall, who promoted Bourke Red Lake and later Nortricia, told us that it was his intention to redeem Bourke Red Lake shares with Nortricia shares. He is not bound to do this. Bourke Red Lake shares we regard as worthless, but Mr. Marshall believes that there is something coming to these shareholders. The exchange of stock is not likely to be forthcoming, however, until Nortricia financing is taken care of.

Keora Mines

In August, 1927, I purchased 10,000 shares of Keora Mines and since that time there has been little movement in the stock. There has appeared in an Ottawa paper that "U. S. interests have entered into negotiations with Keora and South Keora Mines." Can you enlighten me on this matter, also would you advise holding stock until the matter of negotiations is settled?

Some negotiations have been going on, but Keora does not seem to have made much progress. The deal involves holdings of both Keora and South Keora in Porcupine. Keora owns a large block of shares in South Keora, but S. Keora has no interest in Keora. S. Keora has a silver operation south of Cobalt. As you would have to sacrifice Keora shares now you might be wise to wait.

Abbey

What do you think about Abbey Mines?

Abbey Mines adjoins Abana on the north. The Radiore survey gave good inducations and the limited amount of drilling done since encountered some good sulphides. Future drilling results should be watched.

Ban Tipster Sheets

What is your opinion of "The Stock Exchange Mirror"?

Any publication that gives tips and calls up subscribers urging them to buy shares in ventures they are boosting are to be regarded as "tipster sheets." Canada is being flooded with such publications and we are urging that Ottawa take steps to ban them from the mails.

Fiske Gold Mines

Could you give me any particulars as to the progress of Fiske Gold Mines, Ltd., and if it is wise to hold on to the shares?

You might experience difficulty in selling Fiske shares, except at a substantial loss. Company has some well located holdings in Quebec but does not seem to be meeting with any success in their exploration.

Howe Sound

What is your opinion of this mine?

Howe Sound Co., owns Britannia Mine, British Columbia, and has a silver operation in Mexico. It is a well regarded operation, and carried out in a substantial way. You will find complete details and balance sheet on page 145 of 1927 edition of Survey of Mines, published by The Financial Post.

Petroleum Royalties

Kindly give me your opinion of Petroleum Royalties.

We do not regard Petroleum Royalties or any other Royalty Co. for that matter, as a "safe thing," as you suggest. It is a speculation in crude oil and much depends on the sponsors of the venture. It is like gambling in mining. Who are the backers of the venture, we suggest, is the real acid test.

Tawagmac

The writer will appreciate receiving any information which you may have relating to Tawagmac mining stock.

This company owns a substantial block of Aldermac Mine shares, and in addition substantial property holdings in N.W. Quebec. Its financial position is strong. The operation is purely a prospecting and exploratory effort, and is reaching out to other fields besides Quebec.

Minerals Financial Syndicate

I would like to have your views on Minerals Finance Syndicate.

This is a method of mining speculation popular in the Old Country, but which has not taken a strong hold here as yet. Company takes up groups of property, does considerable work, and when one looks attractive, either forms a subsidiary or sells it to other interests to develop. The management means a great deal.

Walsh Katrine

Having been advised to buy a quantity of Walsh Katrine Gold Mines stock, I would be very glad to have your opinion as to the advisability of this investment for either a long or short period.

This operation is located in the eastern section of Kirkland Lake. The property is considered as having considerable merit, but the sponsors of the venture do not seem able to attract sufficient cash to enable them to carry on a continuous operation.

Four Classes of Mines

Would you kindly select from the list of stocks mentioned in my letter those which you think worth considering?

Your list can be well treated by listing the issues in order of merit in the various classes.

Dividend Payer. Premier, 32 per cent yearly.

Producers. Tough-Oakes, Burnside, Barry-Hollinger, Gold Mill.

Speculations having substantial tonnages of proven ore. Abana, Amulet, Crown Reserve, Pioneer.

Prospects. Granada, Jackson Manion, Hunton, Laval.

Wright-Hargreaves

Do you consider this a good buy at $6 a share for a hold say of two or three years?

Best posted mining men regard this issue as one of the most attractive of Northern Ontario's gold stocks at present levels. Liquidation of substantial holdings in Buffalo caused the break in the shares. Wright-Hargreaves, like the other Kirkland Lake mines, have never announced details of ore reserves. Toward the end of the month we may publish a small Kirkland Lake feature section and will secure all details about this operation for that issue.

British Canadian Mines

We would be obliged if you would furnish us with information at your command as to progress this enterprise has made and also your opinion of its prospects.

This venture is in good hands. The sponsors have made a real effort to find a mine. For a time it looked as if they were out of the woods and plans for a mill were under consideration. However, they seem to have struck a snag and evidently the deep development program has not panned out as well as expected. The company is still trying.

Northern Manitoba Stocks

I wish to make a speculation in the Northern Manitoba mining area and was thinking of buying stock in a mining corporation as I have been unable to learn whether or not Flin Flon are going to make a public offering of stock. Can you also let me know what Sherritt-Gordon is selling at and what price it was issued at this summer?

An issue of shares on Flin Flon, 2,000,000 shares of Hudson Bay Mining and Smelting, is to be made at $15. A small block has been allotted to Canada and the outlook is that the demand will be many times the supply, and the shares will be difficult to get. Sherritt-Gordon shares are selling around $6. Small amounts are placed at 50 cents, but the great bulk of this has since passed into strong hands and the stock is quite scarce. We should judge that the market in the Flin Flon stock will be reflected in these shares.

Royalty Companies

I have a client who desires some information concerning the above and would be pleased to hear from you as to their standing.

We have published numerous answers to enquiries setting forth in considerable detail the method of operation of oil royalty companies. These are speculations in oil, pure and simple, and about the only safeguard for anyone who proposes to go into such ventures is to size up the claims of each and pick the one that seems to be the best sponsored.

Bidgood

As I hold a quantity of this stock, I would appreciate very much if you would let me know whether you recommend the stock as a hold, and, if so, if the present price is justified?

We do not make it a practice to give tips, and our article on Bidgood just gave the facts. We leave it to our readers to weigh these and decide whether or not the outlook is favorable or otherwise. It is difficult for anyone to say whether a stock is too high or not. I have heard people say this or that stock was selling at double its value, only in the next few days to see it shoot up 25 or 50 per cent., as if to prove them wrong.

International Nickel

Can you give me a little advice on International Nickel? I had one hundred shares on margin bought at 78, and sold when it began to sag at 85½. Would you think it wise to take another chance now it is selling so high?

Nickel has had a substantial advance since you write. They are discounting developments, and it may be that it will take to 1930 before earnings will justify the present price level. This means that speculative buying is putting the shares up, so that one guess as to what the market will do is as good as another. We are satisfied that Nickel will ultimately sell much higher. When—we hesitate to guess.

Amulet—Coast Copper

I hold 500 Amulet at $4.95. Would you advise me to hold this? I have also 50 Coast Copper at $20.50. Do you know anything about them?

Both Amulet and Coast Copper are well regarded propositions. Amulet is working to the point where it is to be regarded as a mine of substantial proportions. Coast Copper is controlled and being financed by Consolidated Smelters, which is sufficient recommendation. Smelters has advanced something like two million working capital, and further sums will be needed. This must be paid back before shareholders can expect anything. The recent sharp advance in shares was doubtless brought about by the growing scarcity of stocks.

McDougall
Bedford
Sudbury Basin

Please give your opinion on the above mines. What are capitalization, control and prospects? Are any of these producing?

All three operations are sponsored by the same interests, the Lindsley's, who are also backers of Malartic Mines and Sherritt-Gordon, all well regarded operations.

McDougall, Cap. $2,000,000, $1 par
Bedford " 2,000,000 $1 par
Sudbury Basin " 300,000 $1 par

All three operations hold in their treasury substantial blocks of Sherritt-Gordon shares. None are producers. S. Basin plans a stock spilt and will increase its capital to $2,000,000 and all shareholders will receive three new for one old.

SEVERAL GROUPS WOULD PURCHASE KIRKLAND GOLD

Unconfirmed Report Says Timmins Has Made Successful Deal

It is understood that several large groups are after Kirkland Gold Belt property in Lebel Township, Kirkland Lake. The latest report is that N. A. Timmins, Inc., has been successful in making a deal with Fred Jordon who recently purchased the option. This has not been confirmed officially, but some announcement may be forthcoming next week.

Kirkland Gold Belt is the old Wood Kirkland property and it has been idle for many years. There are known to be two substantial parallel veins running in an east-west direction that have been opened to a considerable extent on surface, and which gave very high values of good widths.

It is believed that a deal involving control of the operation would mean a commitment of over $1,000,000. Wood Kirkland shareholders took 1,000,000 shares of Kirkland Gold Belt for their holdings. There are outstanding 1,600,000 shares of Wood, mostly held in large blocks.

More Methods Given How Shady Promoters Are Rigging Market

Receivership for Idaho Copper Divulges Methods of Notorious Vendor

TO BLEED PUBLIC

Rice Takes Options for Few Cents, Boost Market and Sells for $5.00

The placing of the Idaho Copper Company in receivership, has focused attention on George Graham Rice, notorious vendor of mining stocks, and the manner in which the unsuspecting public is bled by unscrupulous mining promoters.

The Idaho Copper Company is a merger of interests controlled by Cooley Butler, brother of Mr. Justice Pierce Butler of the United States Supreme Court, and several presumably reputable associates, with the Idaho Copper Corporation. The latter, possessed no mining properties of proved value at the time of the merger, but was controlled by George Graham Rice.

Rice, it appears, took options on 1,250,000 shares of Idaho Copper stock at prices ranging from 10 to 30 cents a share. The remaining shares were placed in escrow, so as not to interfere with the promoter's market operations. Rice thereupon had the shares listed on the Boston Curb, where by well-known methods, the price of the stock was sent up to over $5 a share. Buying was keen, and Rice was able to sell at prices ranging well over $4, shares he had bought at from 10 to 30 cents a share. Presumably the greater part of what Rice personally paid for the shares was returned to the treasury of the company and provided finances for the continuation of mining operations for a time at least. The amount of money Rice paid for the shares, however, was infinitely small, as compared with the amounts he realized on their sale. Of the latter amounts all went to the promoter personally.

The history of Rice's transaction is typical of the methods employed by promoters of shady transactions in rigging the market and unloading worthless stocks on the innocent public. The names of unsuspecting prominent members of society with established reputations of integrity are used freely by the promoters in setting the stage, the stock is boosted to high levels, the promoters make a killing, while the amount of capital made available for development work is a mere drop in the bucket compared to the profits raked in by the promoter.

In the case of the Idaho Copper Company, which controls Red Lodge and South Peacock Mines in Idaho, and Iron Dyke Mine, in Oregon, it is stated the receivership was instigated by Mr. Butler and his associates to protect the company, as a result of a dispute which has developed between it and Rice.

In the meantime Rice himself has got into rough water, as an injunction was recently placed upon his Wall Street publication, the Iconoclast.

Asbestos Corp. May Keep Same Level

From Our Own Correspondent

MONTREAL.—Shortly, the annual report of the Asbestos Corporation of Canada will make its appearance when the tipsters who have been forecasting largely increased earnings will be confounded. Rumor indicates, however, that the earnings during the past year will come up to those of 1926 when the report showed profits of $1 a share on the common stock.

Toward the close of the past year, the corporation was handicapped by the floods which occurred in the Eastern Townships of Quebec and in New England. Several of the pits were flooded and had to be closed for some weeks. This, of course, will bring profits to a level lower than was anticipated earlier in the year when the corporation began to feel to the full the effect of the economies resulting from the merger at the end of 1926.

DEVELOPING MELNOR

Development work on the Melnor Copper Mines property, Desmeloises Township, Que., is progressing favorably under the direction of Joe Walker, of Haileybury. A favorable report on the possibilities of Melnor has been made by Charles Spearman, consulting engineer. The Melnor property is on a granite contact, north-west of the Abana property.

NEW GRINDING UNIT

Tough Oakes Burnside and Kirkland Lake will instal a new grinding plant.

British Columbia Mines
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